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BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92051821
Party	Defendant DVD Format/Logo Licensing Corporation
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Date	05/16/2011
Attachments	Declaration of Makoto Inabayashi (Exhibit B).pdf ( 32 pages )(2168972 bytes ) Declaration of Makoto Inabayashi (Exhibit C).pdf ( 34 pages )(2884259 bytes ) Declaration of Makoto Inabayashi (Exhibit D).pdf ( 24 pages )(1627529 bytes ) Declaration of Makoto Inabayashi (Exhibit E).pdf ( 32 pages )(2299961 bytes ) Declaration of Makoto Inabayashi (Exhibit F).pdf ( 33 pages )(2517206 bytes ) Declaration of Makoto Inabayashi (Exhibit G).pdf ( 28 pages )(1862950 bytes )

## **Exhibit B**

## DVD FORMAT/LOGO LICENSE AGREEMENT

This DVD FORMAT/LOGO LICENSE AGREEMENT is entered into between DVD Format/Logo Licensing Corporation ("Licensor"), a Japanese corporation having its principal place of business at 2-3-6 Shibadaimon, Minato-ku, Tokyo 105-0012 Japan, and Sony Corporation ("Licensee"), a Japanese corporation having its principal place of business at 6-7-35 Kitashinagawa, Shinagawa-ku, Tokyo 141-0001 Japan, and is effective as of the Effective Date.

WHEREAS, certain members of the DVD Forum as specified in each DVD Format Book ("Format Owners") have developed the DVD specifications pertaining to one or more DVD Products, and have obtained know-how, trade secret and technical information and copyrights embodied therein;

WHEREAS, the Format Owners have granted to Licensor the right to sublicense the DVD specifications;

WHEREAS, Licensor is the Logo Owner;

WHEREAS, Licensee desires to manufacture one or more DVD Products;

WHEREAS, Licensee has obtained one or more DVD Format Book(s) for such DVD specifications from Licensor for evaluation purposes only pursuant to a non-disclosure agreement that has been duly executed between Licensor and Licensee, which agreement is incorporated herein by reference (the "NDA");

WHEREAS, Licensor and Licensee wish to enter into this Agreement, which sets forth the terms and conditions under which Licensor grants to Licensee certain rights with respect to the DVD Format Books and the Logos.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

### **1. Definitions**

For purposes hereof, the following capitalized terms shall have the respective meanings provided below and additional capitalized terms shall have the respective meanings provided in Annex A-2:

1.1 "**Affiliate**" shall mean any corporation, firm, partnership, proprietorship, or other form of business entity, in whatever country organized or resident, that (i) desires to manufacture one or more DVD Products, (ii) is directly or indirectly controlled by Licensee, and (iii) is listed in Annex C. For the purpose of this definition, "control" of an entity shall mean more than 50% direct or indirect ownership of such entity. Entities subject to the direct or indirect control of a common entity are not thereby Affiliates of each other.

1.2 "**Agreement**" shall mean this DVD Format/Logo License Agreement, including all Annexes attached hereto, and any and all amendments to this DVD Format/Logo License Agreement and/or such Annexes.

1.3 **“Annex A”** shall mean Annex A attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.4 **“Annex B”** shall mean Annex B attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.5 **“Annex C”** shall mean Annex C attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.6 **“Annex D”** shall mean Annex D attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.7 **“Annex E”** shall mean Annex E attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.8 **“DVD Format Book”** shall mean a format book listed in Annex A-1 and containing DVD specifications pertaining to one or more DVD Products, including any supplements, revisions, or updates made thereto from time to time; provided, however, that each new version of a DVD Format Book shall be considered a separate DVD Format Book, where “new version” shall mean the new specifications for a DVD Product as represented by a change of the first digit of the version number of such DVD Format Book as designated by Licensor. Except as expressly provided herein, references to “DVD Format Books” shall include applicable Optional DVD Format Books.

1.9 **“DVD Logo Manual”** shall mean the DVD Logo Manual that sets forth the standards for using the Logos, as it may be revised from time to time by Licensor.

1.10 **“DVD Product”** shall mean a Product identified in Annex A-2 that conforms to the applicable DVD Format Book(s) specified in Annex A-1.

1.11 **“DVD Product Category”** shall mean one of the categories of DVD Products set forth in Annex A-3.

1.12 **“Effective Date”** shall mean the later of (i) January 1, 2005 or (ii) the date on which this Agreement has been signed by both Licensee and Licensor and the license fee required by Article 5.1 is received by Licensor. With respect to any additional DVD Format Book(s) or DVD Product Category(ies) added to Annex A-1 pursuant to Article 2.2 after the Effective Date of this Agreement, the Effective Date shall be the later of (x) the date on which Licensor receives a revised Annex A-1, or (y) the date on which Licensor receives the license fee for such DVD Format Book(s) or DVD Product Category(ies) as specified in Articles 2.2 and 5.1.

1.13 **“Logo Owner”** shall mean the Licensor or any successor owner of the trademark rights, copyrights and other rights in and to the Logos pursuant to an assignment and/or transfer of such rights by the Licensor.

1.14 **“Logos”** shall mean the DVD logos as set forth in the DVD Logo Manual, which may be revised from time to time by the Licensor. “Logo” shall mean any of the Logos.

1.15 **“OEM Product”** shall mean any DVD Product manufactured by Licensee or its Affiliate to be sold under the brand, label, direction, authority or auspices of another party (the “OEM Product Customer”).



1.16 **“Optional DVD Format Book”** shall mean a supplement or addendum to a DVD Format Book that may be issued by Licensor from time to time, and that (i) is designated by Licensor as “Optional,” and (ii) contains specifications for one or more DVD Products that may be used by Licensee in conjunction with applicable DVD Format Books.

1.17 **“Product”** shall mean any disc, device or other product that uses information disclosed in a DVD Format Book.

1.18 **“Test Specification”** shall mean the minimum common specification requirement that is designated for a Product in Annex A-4 as the “Applicable Test Specification” to be evaluated during Verification.

1.19 **“Third Party Manufacturer”** shall mean any manufacturer that, pursuant to a written contract or other written agreement with Licensee, manufactures one or more DVD Products on Licensee’s behalf.

1.20 **“Verification”** shall have the meaning provided in Article 4.1.

## **2. DVD Format License**

2.1 Subject to the terms and conditions and with the limitations and exceptions hereafter set forth, Licensor, as of the Effective Date, grants to Licensee and its Affiliates a non-exclusive, non-transferable license, on a worldwide basis during the term hereof, without the right to sublicense, to use the DVD Format Book(s) identified on Annex A-1 as being licensed to Licensee, including the technical information, know-how and trade secrets contained therein, solely in connection with the development, manufacture (including manufacture by a Third Party Manufacturer), sale, use or other disposition of the DVD Products included in the DVD Product Category(ies) identified on Annex A-1 as being licensed to Licensee. The license granted hereunder shall not under any circumstance authorize Licensee or its Affiliates to use the DVD Format Book(s) or the information contained therein in connection with the manufacture, sale or distribution of any Product other than the DVD Product(s) and DVD Product Category(ies) that have been designated by Licensee in Annex A-1 and for which the appropriate license fee has been paid.

2.2 Licensee shall select such DVD Format Book(s) and DVD Product Category(ies) that are licensed to Licensee and its Affiliates under this Agreement by checking the applicable box[es] on Annex A-1. During the term of this Agreement, Licensee may add any DVD Format Book(s) and DVD Product Category(ies) that Licensee has not selected previously, and may acquire a license with respect to such DVD Format Book(s) and DVD Product Category(ies), by (i) providing Licensor with a request substantially in the form of Annex E indicating Licensee’s selection of additional DVD Format Book(s) and/or DVD Product Category(ies), and (ii) paying an additional license fee in accordance with Article 5.1. The terms and conditions of this Agreement shall apply to each additional DVD Format Book and/or DVD Product Category as of the Effective Date for that DVD Format Book or DVD Product Category.

2.3 Subject to Licensor’s approval, Licensee may add any Affiliate(s) of Licensee to Annex C of this Agreement, and the terms and conditions of this Agreement shall apply to such Affiliate(s) as of the date Licensor receives the amended Annex C. Licensee shall, at the request of Licensor, provide evidence satisfactory to Licensor that any entity identified in Annex C to this Agreement qualifies as an “Affiliate” under Article 1.1. If, during the term of this Agreement, an entity identified in Annex C no longer satisfies the conditions described in

Article 1.1, then (i) Licensee shall notify Licensor that such entity no longer qualifies as an Affiliate, and (ii) this Agreement shall no longer apply to such entity as of the date on which the entity no longer qualified as an Affiliate.

2.4 Licensor shall have made available to Licensee under the NDA for use by Licensee and its Affiliates a copy of the then current version of one or more DVD Format Books, which may not be copied in whole or in part by anyone, including the Licensee and its Affiliates. Licensee may receive additional copies of any DVD Format Book that has been made available to Licensee for an additional fee of \$500 per copy, or such other amount to be specified by Licensor. Such additional copies will be provided pursuant to, and subject to the terms and conditions of, the NDA.

2.5 In the event that Licensee arranges for the manufacture of one or more DVD Products by a Third Party Manufacturer, Licensee shall be responsible for ensuring compliance with the terms and conditions of this Agreement (including, but not limited to, Verification of such DVD Products). Licensee acknowledges that the NDA prohibits disclosure of the DVD Format Books to any third party, including any Third Party Manufacturer. If it becomes necessary for a Third Party Manufacturer to have access to the DVD Format Books that have been provided to Licensee (or to the information contained therein), then Licensor will provide the necessary information to the Third Party Manufacturer on reasonable terms and conditions (including, but not limited to, the condition of confidentiality) to be determined by Licensor, provided that Licensor reserves the right to decline (on a non-discriminatory basis) to provide the information to Third Party Manufacturers in specific cases for just cause.

2.6 In the event that Licensee manufactures an OEM Product, Licensee shall (i) be responsible for compliance with the terms and conditions of this Agreement (including, but not limited to, Verification of the OEM Product), and (ii) take reasonable steps to ensure that the OEM Product is not altered after manufacture in any manner that will affect any characteristic of the OEM Product that is addressed in the DVD Format Books. Only the Licensee or its Affiliate may apply a Logo (if licensed to Licensee hereunder) to a DVD Product.

## 2.7

Reserved for future addition of SID Code related provisions

2.8 Licensee agrees that all Products manufactured or sold by Licensee shall comply with the specifications set forth in the applicable DVD Format Books, and with the updates or revisions to such DVD Format Books that Licensor may publish from time to time. In the event Licensee or its Affiliate(s) chooses to use the specifications contained in an Optional DVD Format Book for any DVD Product, then such DVD Product also shall comply with those specifications.

2.9 The licenses granted pursuant to Articles 2.1 and 3.1 of this Agreement do not apply to any Product that does not meet the requirements of Article 2.8.

2.10 IT IS EXPRESSLY UNDERSTOOD THAT THE RIGHTS AND LICENSES GRANTED PURSUANT TO THIS AGREEMENT DO NOT EXTEND TO ANY PRESENT OR FUTURE PATENT RIGHT WHATSOEVER.

### **3. DVD Logo License**

3.1 Subject to the terms and conditions and with the limitations and exceptions set forth in this Agreement, Licensor, as of the Effective Date, grants to Licensee and its Affiliates a non-exclusive, non-transferable license, on a worldwide basis, without the right to sublicense, during the term hereof, to use the Logos solely (i) on DVD Products that are within DVD Product Category I or DVD Product Category II, (ii) on packing materials that accompany such DVD Products, (iii) in advertising and other sales and marketing literature relating to such DVD Products, including catalogues or brochures, and user manuals for such DVD Products, or (iv) in electronic images (such as websites) associated with such DVD Products.

3.2 The Logos shall be used only in the form and manner specified in the DVD Logo Manual. Licensee is strictly prohibited from using the Logos in any form other than that which is specifically set forth in the DVD Logo Manual.

3.3 Licensee shall ensure that there is imprinted legibly and irremovably on all materials and things on or with which the Logos appear in any form the legends and notices required by the DVD Logo Manual.

3.4 Licensee shall not co-join, superimpose or combine any other logo, trademark, trade name or other designation with the Logos. Licensee shall not use the Logos in a manner which impairs the right in the Logos.

3.5 Licensee shall ensure that distributors' and retailers' usage of the Logos in advertising, promotional materials, catalogues or brochures offering Licensee's DVD Products for sale shall comply with the DVD Logo Manual and Articles 3.2, 3.3, 3.4 and 4.1 of this Agreement.

3.6 Licensee may use the Logos on an OEM Product included in DVD Product Category I or DVD Product Category II, provided that (i) the only Logo appearing on the product is the Logo affixed by the Licensee or its Affiliate; (ii) the Logo complies with the requirements of the DVD Logo Manual; (iii) such DVD Product has successfully completed Verification prior to shipment by Licensee or its Affiliate; and (iv) Licensee or its Affiliate takes reasonable steps to ensure that the Logo is not altered after shipment.

3.7 Notwithstanding anything in this Agreement to the contrary, if Licensee develops, manufactures, sells, uses or otherwise disposes of DVD Products that are within DVD Product Category III, the license of the Logos granted in Article 3.1 of this Agreement shall not apply with respect to such DVD Products.

3.8 Licensee shall not register in any country any trademark, service mark, trade name, logo or other indicia of ownership (each, an "Insignia") which resembles or is confusingly similar to a Logo, or which dilutes a Logo (including, without limitation, any Insignia which incorporates a Logo) nor use any such Insignia which could reasonably be deemed to be confusingly similar, deceptive or misleading with respect to a Logo, or which could reasonably be deemed to dilute a Logo. If Licensee uses any Insignia which, in Licensor's reasonable opinion, is confusingly similar, deceptive or misleading with respect to a Logo, or which dilutes a Logo, in connection with any product, or any service or in any territory not specifically authorized hereunder, Licensee shall, immediately upon receiving a written request from Licensor, permanently cease such use.

3.9 Except as provided in this Article 3.9, Licensor shall bear the expense of obtaining and maintaining any trademark or other intellectual property registrations applicable to the Logos. As Licensor deems necessary, Licensee at its expense will comply with the applicable laws or practices of the country(ies) in which rights relating to the Logos are registered, including, without limitation, the marking of Licensee's DVD Products with any applicable notice of registration, and the recordation of Licensee as a registered or licensed user of the Logos. At Licensor's request, Licensee shall advise Licensor of all countries in which DVD Products manufactured by Licensee, or manufactured at Licensee's behest by a Third Party Manufacturer, are sold.

#### **4. Verification**

4.1 "Verification" shall mean the procedures described in this Article 4 and in Annexes B-3, B-4 and B-5, for testing a Product's compliance with the applicable DVD Format Book(s) in accordance with the applicable Test Specifications.

4.2 Licensee (if Licensee has been granted the License to use the Logos) agrees that all Products bearing or marketed under the Logos shall conform to the applicable DVD Format Book(s) and such additional standards, specifications, instructions, or quality controls as may be communicated in writing by Licensor to Licensee from time to time, and that all uses of the Logos shall fully comply with the DVD Logo Manual. Licensee further agrees that in case the Licensee manufactures any OEM Products in DVD Product Category I or DVD Product Category II, the Licensee shall cause, and bear responsibility for causing, the OEM Product Customer to comply with the requirements that all Products bearing or marketed under the Logos shall conform to the applicable DVD Format Book(s), and that all uses of the Logos shall comply with the DVD Logo Manual.

4.3 Licensee agrees that it will not manufacture, sell, market, promote or distribute a Product within DVD Product Category I or DVD Product Category II and bearing or marketed under the Logos that is not in full compliance with the applicable DVD Format Book(s) as determined by Verification of the Product in accordance with the procedures set forth in this Article 4 and in Annexes B-3, B-4 and B-5.

4.4 If at any time during the term hereof, Licensor determines, in its sole reasonable judgment and in cooperation with a Class A Verification Laboratory listed in Annex B-1, that Licensee may be manufacturing, selling, marketing, promoting or distributing a Product that is not in full compliance with an applicable DVD Format Book, then at the request of Licensor, such Licensee shall follow the procedures set forth in Annex B-5.

4.5 If Final Failure (as defined in Annex B-3 or Annex B-5) is declared for a Product, Licensor shall have the right to terminate the rights relating to the Logos granted to Licensee under this Agreement with respect to the Product as to which Final Failure has been declared, upon thirty (30) days' prior written notice to Licensee.

4.6 The right of termination set forth in Article 4.5 above shall not be exclusive of any other remedies or means of redress to which the Licensor may be lawfully entitled, and all such remedies shall be cumulative. Upon termination of the Licensee's rights pursuant to Article 4.5, all rights of Licensee granted hereunder relating to the Logos with respect to the Product that failed to meet the verification standards shall cease and the termination procedures set forth in Article 10.2 below shall apply to such termination.

4.7 For purposes of this Agreement, samples submitted for Verification pursuant to the procedures specified in this Article 4 and in Annexes B-3, B-4 or B-5 shall be selected in a manner acceptable to Licensor.

4.8 NO NOTICE OR STATEMENT OF ANY KIND SENT BY LICENSOR, OR BY ANY LABORATORY LISTED ON ANNEX B-1, SHALL BE CONSTRUED AS A REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE DVD PRODUCT IDENTIFIED IN SUCH NOTICE OR STATEMENT, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR INTERCHANGEABILITY WITH OTHER DVD PRODUCTS.

## **5. Fees**

5.1 In consideration of the licenses granted hereunder, subject to the terms and conditions and with the limitations set forth herein, Licensee agrees to pay to Licensor the license fee set forth on Annex A-1 for each DVD Format Book licensed to Licensee in each DVD Product Category selected by Licensee as identified on Annex A-1. The \$5,000 paid by Licensee pursuant to the NDA may be deducted from the license fee, provided that this fee was not previously deducted from a fee paid by Licensee to Licensor. This Agreement shall not become effective for any DVD Format Book(s) as to which Licensor has not received the applicable license fee from Licensee. In the event that Licensee adds DVD Format Book(s) and/or DVD Product Category(ies) in accordance with the provisions of Article 2.2, Licensee shall pay to Licensor, concurrently with such addition, the license fee set forth on Annex A-1 for each DVD Format Book and/or DVD Product Category newly selected by Licensee. Under no circumstance will Licensee be entitled to any return or refund of a license fee.

5.2 Each time a sample Product and a test result are submitted to a verification laboratory for Verification pursuant to Article 4 and Annex B-3, B-4 or B-5 (regardless of the number of times a Product is submitted to a verification laboratory), Licensee shall pay the verification laboratory the fees as charged by the verification laboratory on a per-submission basis, promptly upon the receipt of an invoice from the verification laboratory (including all transportation fees for such submission and return of Licensee's DVD Product sample or test results); provided that such fees shall not exceed the applicable amount specified in Annex B-2.

5.3 All payments made by Licensee to Licensor or to a verification laboratory under this Agreement shall be made without any deduction for any taxes, except for any income taxes that may be owed by Licensor or such verification laboratory that are required under the law of any jurisdiction outside Japan to be withheld on any payments under this Agreement, which taxes shall be withheld by Licensee only to the extent required by law and actually paid to the appropriate taxing authority. Licensee shall, within one month following payment of any such taxes, provide proof to Licensor of payment of such taxes (including, but not limited to, official receipts in the name of Licensor and photocopies of all forms filed by Licensee with the appropriate taxing authorities) together with certified English translations of such documentation (if not in the English language). No other taxes or other charges (including, but not limited to, bank charges) shall be deducted from the payments made to Licensor or to a verification laboratory. Licensee shall indemnify Licensor or a verification laboratory for any penalties or interest that may be payable as a result of Licensee's failure to timely pay all taxes or other assessments of Licensor that Licensee is obligated to withhold.

5.4 Except as provided in Article 5.3, taxes imposed on payments by Licensee to Licensor or verification laboratories, including but not limited to value added taxes,

consumption taxes, and sales taxes, which may be imposed now or in the future under the laws of any applicable jurisdiction, shall be Licensee's sole responsibility and Licensee shall promptly transmit such taxes to the appropriate authorities as and when they become due. Such taxes shall not affect Licensee's obligation to make payments to Licensor or verification laboratories as required under this Agreement.

5.5 Licensee shall provide written notice to Licensor of any withholding to be made pursuant to Article 5.3 before payment is made in reasonable time and with sufficient information to allow Licensor to raise any objection, including any objection to the form, method, or the amount of payment, or to the withholding of any taxes.

## **6. Information**

6.1 Licensee shall comply with Licensor's reasonable requests for cooperation in connection with Licensor's efforts regarding the enforcement or protection of Licensor's rights and interests in the DVD Format Books or the Logos.

6.2 Without limiting the generality of Article 6.1, Licensee shall comply with Licensor's reasonable requests for information, including: (i) the names of, and contact information for, Third Party Manufacturers that manufacture DVD Products on behalf of Licensee; (ii) the brand names associated with DVD Products manufactured by Licensee; (iii) the brand names associated with OEM Products manufactured by Licensee; and (iv) information regarding entities that infringe on or otherwise violate Licensor's rights in the DVD Format Books or the Logos.

6.3 Licensee acknowledges (i) that officials in various countries examine DVD Products to identify infringing trademarks, including the Logos, and (ii) that DVD Products, including OEM Products and DVD Products manufactured by Affiliates and Third Party Manufacturers, that do not identify Licensee may be subject to detention, seizure or other government action. Under no circumstance will Licensor be responsible for the treatment or disposition of DVD Products by governmental authorities.

## **7. Ownership of the DVD Format Books and Logos; Reservation of Rights**

7.1 Licensee acknowledges that this Agreement does not transfer or convey to Licensee ownership of, or any rights in, any of the DVD Format Books or the Logos, except as expressly set forth herein. Use of the Logos (if Licensee has been granted the license to use the Logos) by Licensee shall inure solely to the benefit of the Logo Owner, as owner of all rights in and to the Logos. Upon termination of this Agreement, no monetary amounts shall be assigned as attributable to any goodwill associated with such Licensee's use of the DVD Format Books or the Logos.

7.2 Licensor hereby reserves all rights not herein expressly granted by this Agreement. Such reserved rights are the sole and exclusive property of the Licensor, the Format Owners, and the Logo Owner.

## **8. Confidentiality**

8.1 Licensee agrees that Licensee shall not disclose to any third party information contained in the DVD Format Book(s) licensed hereunder or any other information provided by Licensor pursuant to the terms and conditions of the NDA. Licensee further agrees that Licensee shall use information contained in the DVD Format Book(s) licensed hereunder, and

any other information provided by Licensor to Licensee, in accordance with the terms and conditions of the NDA regarding the confidential treatment of such information, and only for the development, manufacture, sale, use and other disposition of the DVD Product(s) included in the DVD Product Category(ies) identified on Annex A-3 and selected by Licensee.

8.2 Licensor shall treat any information provided to Licensor by Licensee or its Affiliates pursuant to Article 6 as confidential, and shall not disclose such information to any third party, except (a) as may be required by law (in which event, to the extent possible, Licensor shall provide Licensee with reasonable advance notice of such disclosure); (b) as part of Licensor's effort (whether by official proceeding or otherwise) to enforce or protect Licensor's intellectual property rights and other interests in the DVD Format Books and the Logos; (c) if Licensor receives the information from another source to which the Licensor does not owe an obligation of confidentiality; or (d) if the information is or becomes available in the public domain.

## **9. Warranty and Disclaimer**

9.1 LICENSOR, THE FORMAT OWNERS AND THE LOGO OWNER MAKE NO REPRESENTATION OR WARRANTY AS TO THE VALUE OR UTILITY OF THE INFORMATION TO BE SUPPLIED TO LICENSEE OR ITS AFFILIATES PURSUANT TO THIS AGREEMENT, SUCH AS BUT NOT LIMITED TO THE DVD FORMAT BOOKS, THE DVD LOGO MANUAL, AND TECHNICAL INFORMATION AND SUPPORT, IF ANY, OR THE ABILITY OF LICENSEE OR ITS AFFILIATES TO MAKE USE THEREOF TO SECURE INTERCHANGEABILITY WITH OTHER DVD PRODUCTS. LICENSOR, FORMAT OWNERS, AND LOGO OWNER MAKE NO WARRANTY WHATSOEVER THAT THE USE OF INFORMATION SUPPLIED BY LICENSOR DOES NOT INFRINGE OR WILL NOT CAUSE INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT OWNED OR CONTROLLED BY ANY PERSON. LICENSEE UNDERSTANDS AND AGREES THAT THE LICENSOR, FORMAT OWNERS AND LOGO OWNER MAKE NO WARRANTY WHATSOEVER THAT ANY MANUFACTURE, USE, SALE, LEASE OR OTHER DISPOSAL OF LICENSED PRODUCTS WILL BE FREE FROM INFRINGEMENT OF ANY THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS. IT IS EXPLICITLY UNDERSTOOD BY LICENSEE THAT LICENSOR AND FORMAT OWNERS CLAIM TO HAVE ISSUED OR PROSPECTIVE PATENTS PERTINENT TO THE LICENSED PRODUCTS, WHICH PATENTS ARE NOT LICENSED HEREUNDER. LICENSOR, FORMAT OWNERS AND LOGO OWNER MAKE NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, STATUTORY OR OTHERWISE, AND EXPRESSLY DISCLAIM IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY EQUIVALENTS UNDER THE LAWS OF ANY JURISDICTION THAT MIGHT ARISE FROM ANY ACTIVITIES OR INFORMATION DISCLOSURES RELATING TO THIS AGREEMENT.

9.2 Nothing in this Agreement shall be construed as imposing on Licensor an obligation to take any action to protect its intellectual property rights or other interests in the DVD Format Books and/or the Logos.

9.3 Licensee acknowledges and agrees that Licensor shall not be liable for the actions of any government official, agency or other authority with respect to the enforcement of any law or regulation applied or relating to DVD Products.

## **10. Term and Termination**

10.1 This Agreement shall become effective as of the Effective Date and shall continue in force until December 31, 2009, unless terminated earlier. The parties hereby agree that prior to such expiration (other than upon earlier termination of this Agreement pursuant to the provisions herein), the parties shall negotiate in good faith to renew the license granted hereunder as such renewal may be subject to further terms and conditions, including payment of then determined license fees.

10.2 Either party may terminate this Agreement at any time on thirty (30) days' written notice to the other party in the event that the latter shall materially breach or fail to perform any material obligation under this Agreement and such default is not remedied within thirty (30) days after notice is given specifying the nature of the default. Such right of termination shall not be exclusive of any other remedies or means of redress to which the non-defaulting party may be lawfully entitled, and all such remedies shall be cumulative. Licensee may terminate this agreement at any time on sixty (60) days' prior written notice to Licensor.

10.3 Immediately upon expiration or earlier termination of this Agreement, Licensee shall return to Licensor, or at Licensor's instruction, destroy all copies of the DVD Format Books in Licensee's possession and certify to Licensor that it has done so in a written sworn statement of an officer of Licensee delivered to Licensor within fifteen (15) days after such destruction or return. Licensee acknowledges that, on the last day of the term of this Agreement or upon its earlier termination, all rights granted by this Agreement shall cease.

10.4 Licensee hereby agrees (if Licensee has been granted the license to use the Logos) that the use of the Logos in any way not in compliance with the DVD Logo Manual, as such manual may be modified from time to time, or on any Product or in any advertisement or sales literature concerning any Product, which Product does not comply with the applicable DVD Format Book, shall constitute a material breach of this Agreement and infringement of the Logos.

10.5 Licensee hereby agrees that Licensor, at its sole discretion, may deem a declaration of Final Failure pursuant to Annex B-5 with respect to a Product manufactured by or on behalf of Licensee or its Affiliate as a material breach of this Agreement.

10.6 In the event that any Event of Bankruptcy occurs, then Licensor may give notice to Licensee terminating this Agreement and this Agreement shall be terminated in accordance with the notice. An "Event of Bankruptcy" occurs if:

- (i) a decree or order by a court having jurisdiction in the premises has been entered adjudging Licensee a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition, winding up or similar relief for Licensee under any applicable statute, or a decree or order of a court having jurisdiction in the premises for the appointment of a liquidator, receiver, administrator, trustee or assignee in bankruptcy or insolvency or other similar person or official of Licensee or of a substantial part of the property, or for the winding up or liquidation of the affairs of Licensee has been entered and remains unstayed; or if any substantial part of the property of Licensee has been sequestered or attached and has not been returned to the possession of Licensee or released from such attachment within 14 days thereafter; whether any such act or event occurs in Japan, or any foreign country, subdivision thereof, or any other jurisdiction; or



- (ii) Licensee institutes proceedings to be adjudicated a voluntary bankrupt or insolvent, consents to the filing of a bankruptcy or insolvency proceeding against it, files a petition or answer or consent seeking reorganization, readjustment, arrangement, composition, winding up, administration, receivership, or similar relief under any applicable statute or consents to the filing of any such petition or the entry of any such order, makes an assignment for the benefit of creditors, is determined to be unable to pay its debts or admits in writing its inability to pay its debts generally as they become due, or voluntarily suspends transactions of a substantial portion of its usual business; whether any such act or event occurs in Japan, or any foreign country or subdivision thereof, or any other jurisdiction.

10.7 The rights and obligations set forth in Articles 5, 7, 8, 9, 10.3, 12.6, 12.7 and this Article 10.7 shall survive the termination or expiration of this Agreement.

## **11. Notices**

11.1 Except as provided in Article 11.2, wherever provision is made in this Agreement for the giving of any notice or communication, such notice or communication shall be in writing and shall be deemed to have been duly given if mailed by airmail, postage prepaid, addressed to the party entitled to receive the same or delivered to such party, or sent by facsimile transmission, by e-mail, or sent by courier, in each case to the attention of the individual acting on behalf of such party specified below (the "Contact Person"):

if to Licensor, to:

DVD Format/Logo Licensing Corporation  
Daimon Urbanist Bldg. 6F, 2-3-6 Shibadaimon,  
Minato-ku, Tokyo 105-0012  
Japan

Attention: Ms. Kaoru Saito  
Manager,  
Licensing

Tel No.: +81-3-5777-2883

Fax No.: +81-3-5777-2884

E-mail: [license@dvdflc.co.jp](mailto:license@dvdflc.co.jp)  
or [kaysaito@dvdflc.co.jp](mailto:kaysaito@dvdflc.co.jp)

and if to the Licensee, to:

Sony Corporation  
6-7-35 Kitashinagawa, Shinagawa-ku,  
Tokyo 141-0001 Japan

Attention: Mr. Kazunobu Saito  
Senior Manager,  
HENC, Video Group,  
Media Format Department,  
Format Standard Section

Tel No.: +81-3-5448-3608

Fax No.: +81-3-5448-3458

E-mail: [Kazunobu.Saito@jp.sony.com](mailto:Kazunobu.Saito@jp.sony.com)

or to such other Contact Person or address, in any such case, as any party hereto shall have last designated by notice to the other party. Notice shall be deemed to have been given on the day that it is so delivered personally or sent by facsimile transmission and confirmation of successful transmission is received or, if sent by courier, shall be deemed to have been given two business days after delivery by the courier company, or if mailed, ten business days following the date on which such notice was so mailed.

11.2 In the event that Licensor is unable following two attempts to effect notice to Licensee pursuant to Article 11.1, Licensor may effect notice to Licensee by any means reasonably calculated to provide notice to Licensee, including but not limited to publication on Licensor's website ([www.dvdfllc.co.jp](http://www.dvdfllc.co.jp)), provided that notice provided by publication on Licensor's website shall be effective on the date specified on the notice, which shall be no less than thirty (30) days following the date of publication.

## **12. Miscellaneous**

12.1 Licensee agrees that it will not bring any actions for unauthorized use or infringement of any of the DVD Format Books or the Logos. Licensee will notify Licensor immediately should it learn of any such unauthorized use or infringement by any entity. Licensor shall have the option, at its own expense, to assume the defense of any suit or action brought against Licensee that challenges or concerns the validity of any right granted by Licensor hereunder. Licensor shall be entitled to all proceeds resulting from any such suit or action.

12.2 The performance by Licensor of its obligations hereunder shall be conditioned upon and subject to the receipt of all necessary export approvals required by and all restrictions or conditions imposed by any relevant government.

12.3 Licensor represents and warrants that it has the right to enter into this Agreement and to grant a license to Licensee pursuant to the terms hereof on behalf of the Format Owners and Logo Owner.

12.4 This Agreement and the rights granted hereunder shall be personal to Licensee and shall not be assigned, transferred, sold, pledged, divided or made subject to any lien, charge, security interest or encumbrance of any kind or manner. Licensee shall not have the right to sublicense any rights granted hereunder.

12.5 Licensor shall have the right to assign this Agreement, at any time during the term thereof, to any other entity(ies) that succeed(s) Licensor in its function as the licensor of the DVD Format Books and the Logos, upon prior written notice to Licensee.

12.6 THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED, AND ANY MATTERS RELATING TO THIS AGREEMENT SHALL BE DECIDED, ACCORDING TO THE LAWS OF THE STATE OF NEW YORK, AS IF THIS AGREEMENT WERE WHOLLY EXECUTED AND WHOLLY PERFORMED WITHIN SUCH STATE.

12.7 LICENSEE AGREES AND ACKNOWLEDGES THAT ALL DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH THE INTERPRETATION OR EXECUTION OF THIS AGREEMENT, LICENSOR'S LICENSING OF THE LOGOS OR THE DVD FORMAT BOOKS, OR LICENSEE'S USE OF THE DVD FORMAT BOOKS AND THE LOGOS, SHALL BE FINALLY SETTLED BY

THE FEDERAL OR STATE COURTS LOCATED IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK; AND EACH PARTY TO THIS AGREEMENT HEREBY: (i) IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE RESOLUTION OF SUCH DISPUTES; (ii) IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF SAID COURTS IN ANY SUCH DISPUTE BY PERSONAL DELIVERY OR MAILING OF PROCESS BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, AT THE RESPECTIVE ADDRESS SET FORTH IN ARTICLE 11.1 ABOVE; (iii) IRREVOCABLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN SUCH COURTS OR TO THE CONVENIENCE OR INCONVENIENCE OF CONDUCTING OR PURSUING ANY ACTION OR PROCEEDING IN ANY SUCH COURT; AND (iv) IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY REGARDING THE RESOLUTION OF ANY DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

12.8 Licensee agrees to all of the terms and conditions of this Agreement (including, but not limited to, Articles 2.10, 4.8, 9.1, 12.6 and 12.7) on its own behalf and on behalf of its Affiliates. This Agreement shall inure to the benefit of the parties hereto and to each of Licensee's Affiliates, provided that (i) each such Affiliate shall comply with the terms of this Agreement as those terms apply to the Licensee, (ii) nothing herein shall relieve Licensee of any of its obligations under the terms of this Agreement, (iii) Licensee agrees to cause its Affiliates to comply with the terms and conditions of this Agreement in the same manner and to the same extent as they apply to Licensee (except that only the Licensee shall be liable for payment of the license fee to Licensor); and (iv) Licensee shall be responsible for the acts or omissions of its Affiliates as if such acts or omissions had been the acts or omissions of Licensee. Without limiting the generality of the foregoing, any breach of this Agreement by an Affiliate shall be deemed by Licensor as a breach by Licensee.

12.9 This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges all prior discussions between them and neither of the parties shall be bound by any conditions, definitions, warranties, waivers, releases or representations (either expressed or implied) with respect to the subject matter of this Agreement, other than expressly set forth herein (including the Annexes hereto), or as duly set forth on or subsequent to the date hereof in writing signed by a duly authorized representative of the party to be bound thereby.

12.10 This Agreement may be executed in counterparts (including facsimile transmission) each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives as of the Effective Date.

SONY CORPORATION

DVD FORMAT/LOGO LICENSING  
CORPORATION

By (Sign)

By (Sign)

Akio Hitachi

Makoto Inabayashi

Name (Print)

Name (Print)

General Manager,  
HENC, Video Group,  
Media Format Department,  
Format Standard Section

President

Title

Title

Date

December 3<sup>rd</sup>, 2004

Date

6 Dec. 2004

# ANNEX A-1

## DVD Products, Corresponding DVD Format Books and License Fees

DVD Format Books	DVD Product Category	License Fee	Licensed Product Category
DVD-ROM Book (DVD Specifications for Read-Only Disc) Part 1: Physical (Ver. 1.0) Part 2: File System(Ver. 1.0)	I	US\$10,000	✓
	II(1)	US\$10,000	✓
	III	US\$10,000	✓
DVD-Video Book (DVD Specifications for Read-Only Disc) Part 3: Video (Version 1.1)	I	US\$10,000	✓
	II(1)	US\$10,000	✓
	II(2)	US\$10,000	✓
	III	US\$10,000	✓
DVD-Audio Book (DVD Specifications for Read-Only Disc) Part 4: Audio (Version 1.2)	I	US\$10,000	✓
	II(1)	US\$10,000	✓
	III	US\$10,000	
DVD-R Book (DVD Specifications for Recordable Disc) Part 1: Physical (Ver. 1.0) Part 2: File System (Ver. 1.0)	I	US\$10,000	✓
	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	✓
DVD-R for General Book (DVD Specifications for Recordable Disc) Part 1: Physical (Ver. 2.0) Part 2: File System (Ver. 2.1)	I	US\$10,000	✓
	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	
DVD-R for Authoring Book (DVD Specifications for Recordable Disc) Part 1: Physical (Ver. 2.0) Part 2: File System(Ver.2.0)	I	US\$10,000	
	II(1 & 2)	US\$10,000	
	III	US\$10,000	
DVD-RAM(2.6G) Book (DVD Specifications for Rewritable Disc) Part 1: Physical (Ver. 1.0) Part 2: File System (Ver. 1.1)	I	US\$10,000	✓
	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	✓
DVD-RAM(4.7G) Book (DVD Specifications for Rewritable Disc) Part 1: Physical (Ver. 2.1) Part 2: File System(Ver. 2.0)	I	US\$10,000	
	II(1 & 2)	US\$10,000	
	III	US\$10,000	
DVD-RW Book (DVD-Specifications for Re-recordable Disc) Part 1:Physical (Ver. 1.1) Part 2:File System (Ver.1.0)	I	US\$10,000	✓
	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	
DVD-VR Book (DVD Specifications for DVD-RAM/DVD-RW/DVD-R for General Discs)Part 3:Video Recording(Ver1.1)	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	
DVD-SR Book (DVD Specifications for DVD-RAM/DVD-RW/DVD-R for General Discs) Part 5:Stream Recording(Ver1.0)	II(1 & 2)	US\$10,000	
	III	US\$10,000	
DVD-AR Book (DVD Specifications for DVD-RAM/DVD-RW/DVD-R for General Discs) Part 4:Audio Recording(Ver1.0)	II(1 & 2)	US\$10,000	
	III	US\$10,000	
DVD-ENAV Book TBD	II(1 & 2)	US\$10,000	
	III	US\$10,000	
Total Fees	US\$		\$ 70,000

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6 Dec 2001

## **ANNEX C**

### **List of Licensee's Affiliates**

SONY MANUFACTURING SYSTEMS CORPORATION

SONY ENERGY DEVICE CORPORATION

SONY SEMICONDUCTOR KYUSHU CORPORATION

SONY EMCS CORPORATION

SONY MUSIC MANUFACTURING INC.

SONY ELECTRONICS (WUXI) CO., LTD.

SONY ELECTRONICS INC.

SONY FRANCE S.A.

SONY DADC AUSTRIA AG

DIGITAL AUDIO DISC CORPORATION

SONY EMCS (MALAYSIA) SDN. BHD.

SONY PLASTICOS DA AMAZONIA LTDA.

SONY DE TIJUANA OESTE, S.A. DE C.V.

SONY HUNGARIA KFT

SONY MUSIC ENTERTAINMENT MEXICO S.A. DE C.V.

SONY MUSIC ENTERTAINMENT (AUSTRALIA) LTD.

SONY MUSIC ENTERTAINMENT (HONG KONG) LTD.

SONY MUSIC CANADA LTD.

SONY MUSIC ENTERTAINMENT INC.

## ANNEX B-1

### VERIFICATION LABORATORIES

#### Class A Verification Laboratories

##### China

**China Electronics Technology Group Corporation**  
**No.3 Research Institute**  
DVD Verification Laboratory  
7B North Jiuxianqiao Road, Chaoyang District,  
Beijing, 100015, China  
TEL: +86-10-64363131 FAX: +86-10-64362324

##### Europe

**Royal Philips Electronics**  
Philips Intellectual Property & Standards  
Business Support  
Prof. Holstlaan 6, Building WAH-2,  
5656 AA Eindhoven, The Netherlands  
Email: [info.licensing@philips.com](mailto:info.licensing@philips.com)  
<http://www.licensing.philips.com>  
FAX: 31-40-2732113

##### Japan

**Hitachi, Ltd.**  
DVD Format Verification Laboratory  
292 Yoshida-cho, Totsuka-ku, Yokohama-shi  
Kanagawa, 244-0817 Japan  
FAX: +81-45-866-5905

**Matsushita Electric Industrial Co., Ltd.**  
Format Verification Laboratory  
1-15, Matsuo-cho, Kadoma,  
Osaka, 571-8504 Japan  
FAX: +81-6-6909-5027

**Mitsubishi Electric Corporation**

DVD Verification Laboratory  
Advanced Technology R&D Center  
1 Zusho-Baba, Nagaokakyo-city,  
Kyoto, 617-8550 Japan  
TEL: +81-75-958-3757 FAX: +81-75-958-3731

**PIONEER CORPORATION**

DVD Verification Laboratory  
4-2610, Hanazono, Tokorozawa-shi,  
Saitama, 359-8522 Japan  
FAX: +81-42-990-2831

**SHARP CORPORATION**

DVD Verification Laboratory  
174, Hayakawa-cho, Yaita-city,  
Tochigi, 329-2193 Japan  
TEL: +81-287-44-3749 FAX: +81-287-43-6680

**Sony Corporation**

DVD Verification Laboratory  
AV/IT Development Gp., System Engineering Dept., Format Section  
Shinagawa Intercity, Tower C, 2-15-3, Konan,  
Minato-ku, Tokyo, 108-6201 Japan  
FAX: +81-3-5769-5890

**Toshiba Corporation**

DVD Verification Laboratory  
Strategic Licensing & Alliance Division  
No.410-Bldg. in Yokohama Complex, 8, Shinsugita-cho,  
Isogo-ku, Yokohama, Kanagawa, 235-8522 Japan  
FAX: +81-45-770-3339

**Victor Company of Japan, Limited**

DVD Verification Lab.  
12, 3-chome, Moriya-cho, Kanagawa-ku,  
Yokohama, Kanagawa, 221-8528 Japan  
FAX: +81-45-450-1639



## **Korea**

### **LG Electronics Inc.**

DVD Verification Laboratory  
DAV Division DDM Standards Gr.  
19-1, Cheongho-Ri, Jinwuy-Myun,  
Pyungtaik-City, Kyunggi-Do, 451-713 Korea  
TEL: +82-31-610-5335 FAX: +82-31-610-5355

### **SAMSUNG ELECTRONICS CO., LTD.**

DVD Verification Laboratory  
Optical Disc Drive Division  
416, Maetan-3Dong, Paldal-Gu, Suwon-City,  
Kyungki-Do, 442-742 Korea  
TEL: +82-31-200-5941 FAX: +82-31-200-8666

## **U.S.A.**

### **Crest National Digital Media**

DVD Verification Laboratory  
6721 Romaine Street,  
Hollywood, CA 90038 U. S. A.  
Email: [dvdlaboratory@crestnational.com](mailto:dvdlaboratory@crestnational.com)  
FAX: +1-323-466-7128

### **Panasonic Disc Manufacturing Corporation of America**

PDMC Verification Laboratory  
20608 Madrona Avenue,  
Torrance, CA 90503 U. S. A.  
FAX: +1-310-783-4849

### **(Warner Advance Media Operations)**

DVD Verification Laboratory  
1400 East Lackawanna Avenue,  
Olyphant, Pennsylvania 18448 U. S. A.  
FAX: +1-570-383-0328

## Taiwan

### **Industrial Technology Research Institute**

DVD Verification Laboratory

Bldg. 78, 195-8, Section 4, Chung Hsing Road,  
Chutung, Hsinchu, 310 Taiwan

FAX: +886-3-5917531/+886-3-5832805

## ANNEX B-2

### MAXIMUM VERIFICATION FEES

Effective Date:  
February 26, 2004

Products	Fees
DVD-ROM Disc	\$5,000
DVD-Video Disc	\$5,000
DVD-Audio Disc	\$5,000
DVD-R (3.9Gbyte) Disc	\$7,500
DVD-R for General Disc	\$7,500
DVD-R (4X Speed) Disc	\$7,500
DVD-R (8X Speed) Disc	\$15,000
DVD-R for Authoring Disc	\$7,500
DVD-RW Disc	\$7,500
DVD-RW (2X Speed) Disc	\$7,500
DVD-RW (4X Speed) Disc	\$15,000
DVD-RAM (2.6Gbyte) Disc	\$7,500
DVD-RAM (4.7/1.46Gbyte) Disc	\$7,500
DVD-RAM (3X Speed) Disc	\$7,500
DVD-RAM (5X Speed) Disc	\$15,000
DVD-ROM Drive	\$5,000
DVD-R (3.9Gbyte) Drive	\$7,500
DVD-R for General Drive	\$7,500
DVD-R for Authoring Drive	\$7,500
DVD-RW Drive	\$7,500
DVD-RAM (2.6Gbyte) Drive	\$7,500
DVD-RAM (4.7/1.46Gbyte) Drive	\$7,500
DVD-Video Player	\$10,000
DVD-Audio Player	\$10,000
DVD-R Video Format Recorder	\$10,000
DVD-RW Video Format Recorder	\$10,000
DVD-RW Video Recorder	\$10,000
DVD-RAM Video Recorder	\$10,000
PC Video Format Authoring Software	\$10,000
PC VR Recording Software	\$10,000
DVD-Video Decoder	\$5,000

*For further inquiries and details, please contact an individual Class A Verification Laboratory.*

Payment of the Verification fee, as required by Article 5 of the Agreement, shall be arranged pursuant to an agreement between Licensee and a Verification Laboratory.

### ANNEX B-3

This Annex B-3 addresses the Verification of the Licensee's "First Production Model" as defined in the applicable Test Specification set forth in Annex A-4.

Licensees with respect to DVD Products in DVD Product Category I and DVD Product Category II(1) that use the DVD Video Format Book "DVD Specifications for Read Only Discs," Part 3, should follow **Part I**.

Manufacturers of DVD Products not covered by Part I should follow **Part II**.

This Annex B-3 does not apply to any First Production Model for which Verification was successfully completed prior to January 1, 2005.

#### **Part I.**

Prior to the initial commercial shipment of the First Production Model of a Product, Licensee shall undertake the following procedures and obtain a "Confirmation of Verification" in writing from a Class A Verification Laboratory regarding the DVD Product's compliance with the applicable DVD Format Book(s).

1 Prior to the initial commercial shipment of the First Production Model, Licensee shall test the First Production Model using the verification tool and following the instructions provided by a Class A Verification Laboratory listed on Annex B-1 and selected by Licensee. At the conclusion of the test, Licensee shall submit to the Laboratory the results of the test together with samples of the First Production Model so tested, and concurrently send a notice of that submission to Licensor. The Class A Verification Laboratory shall designate a reasonable number of samples to be submitted. Licensee may request that the Class A Verification Laboratory complete its testing and send the results of the tests to Licensee within thirty (30) working days from receipt of the Licensee's test results and the specified number of samples of the First Production Model. The Class A Verification Laboratory, if so requested, shall make reasonable efforts to comply with this request.

2 Before samples of the Licensee's Product are submitted to a Class A Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by the Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto.

3 After the Class A Verification Laboratory receives Licensee's test results and samples of Licensee's First Production Model:

a. the Class A Verification Laboratory that received the Licensee's test results and samples of the First Production Model shall test the Product according to the applicable Test Specification, and shall inform Licensee and Licensor concurrently of the results (the Class A Verification Laboratory may keep a reasonable number of samples of the Product submitted by Licensee);

b. if, in the sole and reasonable judgment of the Class A Verification Laboratory, the

result of the tests is that the First Production Model does not comply with the applicable DVD Format Book(s), Licensor shall have the right to request that Licensee modify the non-compliant Product so as to comply and submit sample(s) of such modified Product to the same Class A Verification Laboratory within thirty (30) days or a longer period specified by such Class A Verification Laboratory (a reasonable number of samples to be submitted shall be designated by such Class A Verification Laboratory). The Class A Verification Laboratory shall re-test the modified First Production Model according to the applicable Test Specification, and shall inform Licensee and Licensor concurrently of the results. In addition, upon the request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, without limitation, the names of authoring studios that created the master discs for the non-compliant Product (for Products in DVD Product Category I) and the identity of any third-party suppliers of components for the non-compliant Product (for Products in DVD Product Category II(1)); and

if, (a) following the re-testing of the modified First Production Model, in the sole and reasonable judgment of the Class A Verification Laboratory, the Product still fails to comply with the applicable DVD Format Book(s) or (b) Licensee fails to submit a modified Product within the period set forth in the above paragraph 3(ii), Licensor, in its sole discretion, shall have the right either (x) to request that Licensee further modify the Product and submit sample(s) of such further modified Product to the same Class A Verification Laboratory pursuant to paragraph 3(ii), or (y) to declare and inform Licensee of a final failure of such product to conform to the applicable DVD Format Book(s) ("Final Failure").

## Part II.

1. At any time after the Effective Date but no later than sixty (60) days after the initial commercial shipment of the First Production Model of a Product, Licensee shall test the First Production Model using the verification tool and following the instructions provided by a Class A Verification Laboratory listed on Annex B-1 and selected by the Licensee. At the conclusion of the test, Licensee shall submit the results of such test together with samples of the First Production Model so tested to such Laboratory, and concurrently send a notice of that submission to Licensor; provided, however, that if the Product is a DVD drive or DVD decoder that is integrated into another product and the Logo is placed anywhere on such integrated product other than on the DVD drive or DVD decoder itself, such integrated product shall be tested. The Class A Verification Laboratory shall designate a reasonable number of samples to be submitted.

2. Before samples of the Licensee's Product are submitted to a Class A Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by the Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto.

3. After the Class A Verification Laboratory receives Licensee's test results

and samples of the Licensee's First Production Model:

the Class A Verification Laboratory that received the Licensee's test results and samples of the First Production Model shall test the Product according to the applicable Test Specification, and shall inform Licensee and Licensor concurrently of the results (the Class A Verification Laboratory may keep a reasonable number of samples of DVD Products submitted by such Licensee);

if, in the sole and reasonable judgment of such Class A Verification Laboratory, the result of the tests is that the First Production Model does not comply with the applicable DVD Format Book(s), Licensor shall have the right to request that Licensee modify the non-compliant Product so as to comply, and to submit sample(s) of such modified Product to the same Class A Verification Laboratory within thirty (30) days or a longer period specified by such Verification Laboratory (the number of samples to be submitted shall be designated by such Class A Verification Laboratory). The Class A Verification Laboratory shall re-test the modified First Production Model according to the applicable Test Specification, and shall inform Licensee and Licensor concurrently of the results. In addition, upon the request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, as applicable and without limitation, the names of authoring studios that created the master discs for the non-compliant DVD discs and the identity of any third-party suppliers of components for the non-compliant Products; and

if, (a) following the re-testing of the modified First Production Model, in the sole and reasonable judgment of the Class A Verification Laboratory, the Product still fails to comply with the applicable DVD Format Book(s), or (b) Licensee fails to submit a modified Product within the period set forth in the above paragraph 3(ii), Licensor, in its sole discretion, shall have the right either (x) to request that Licensee further modify the Product and submit such further modified Product to the same Class A Verification Laboratory, or (y) to declare and inform Licensee of a final failure of such Product to conform to the applicable DVD Format Book(s) ("Final Failure").

## ANNEX B-4

This Annex B-4 applies to "Next Production Models" of Products as defined in the applicable Test Specification set forth in Annex A-4.

Licensees with respect to DVD Products in DVD Product Category I and DVD Product Category II(1) that use the DVD Video Format Book "DVD Specifications for Read Only Discs," Part 3, shall follow **Part I**.

Licensees with respect to other DVD Products shall follow **Part II**.

### **Part I.**

Prior to the initial commercial shipment of the Next Production Model of a Product, Licensee shall undertake the following procedures to test the Product's compliance with the applicable DVD Format Book(s).

1 Prior to the initial commercial shipment of the Next Production Model, Licensee shall (i) test such Next Production Model at its own quality assurance facility using the verification tools and in accordance with procedures set forth in the Test Specification, or (ii) if Licensee or its Affiliates does not have its own quality assurance facility, submit samples of such Next Production Model to a Class B Verification Laboratory for Verification.

2 If the Next Production Model is tested at Licensee's own quality assurance facility, the following procedures shall apply:

a) if, in Licensee's reasonable judgment, the result of the testing and verification at Licensee's own quality assurance facility is that such Next Production Model does not comply with the applicable DVD Format Book(s), Licensee shall (i) modify the non-compliant Product so as to comply, and (ii) re-test and verify such modified Product;

b) if in Licensee's reasonable judgment, the modified Product still fails to comply with the applicable DVD Format Book(s) following the re-testing of the Product, Licensee shall either further modify the non-compliant modified Product or determine not to ship such Next Production Model with the Logos.

c) Licensee shall keep records of the tests conducted at its own quality assurance facility pursuant to this Annex B-4 for at least two (2) years after the discontinuation of production of the relevant model

d) Upon request of Licensor, Licensee shall provide to Licensor the records described in paragraph 2(iii) above in a reasonably timely manner.

3 If Licensee submits samples of a Next Production Model to a Class B Verification Laboratory, the following procedures shall apply:

before Licensee's samples are submitted to a Class B Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto. Licensee may request that the Class B Verification Laboratory finish its testing and send its test results within thirty (30) working days from each receipt of the sample DVD Product. The Class B Verification Laboratory, if so requested, shall make reasonable efforts to comply with the Licensee's request.

after the receipt of such sample Product,

(a) the Class B Verification Laboratory that received Licensee's sample Product shall test such Product in accordance with the applicable Test Specification and inform Licensee and Licensors concurrently of the results of the Verification (the Class B Verification Laboratory may designate a reasonable number of samples to be submitted and may keep a reasonable number of samples of the Product submitted by Licensee);

(b) if, in the sole and reasonable judgment of the Class B Verification Laboratory, the result of the tests is that the Licensee's Product does not comply with the applicable DVD Format Book(s), the Licensors shall have the right to request that Licensee modify the non-compliant Product so as to comply, and that Licensee submit sample(s) of such modified Product to such Class B Verification Laboratory within thirty (30) days or a longer period specified by such Class B Verification Laboratory (the number of samples to be submitted shall be designated by such Class B Verification Laboratory). The Class B Verification Laboratory shall re-test such modified Product in accordance with the applicable Test Specification. Upon request of Licensors, Licensee shall promptly provide information necessary for Licensors to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, without limitation, the names of authoring studios that created the master discs for the non-compliant Products (for Products in DVD Product Category I), and any third-party suppliers of components for the non-compliant Product (for Products in DVD Product Category II(1)); and

(c) if, in the sole and reasonable judgment of the Class B Verification Laboratory, the modified Product still fails to comply with the applicable DVD Format Book(s), Licensee shall either resubmit a further modified Product to the same Class B Verification Laboratory, or determine not to ship such Next Production Model with the Logos.

4 Licensee acknowledges and agrees that the Class B Verification Laboratory shall keep records of all the Verification tests it conducts for at least three (3) years and, upon request of the Licensors, shall provide the records to the Licensors in a reasonably timely manner.



## Part II.

1. During the term of this Agreement and no later than sixty (60) days from the initial shipment of the Next Production Model of a DVD Product, Licensee (i) shall test the Next Production Model at its own quality assurance facility using the verification tools in accordance with procedures set forth in the Test Specification, or (ii) if Licensee does not have its own quality assurance facility, shall submit samples of the Next Production Model to a Class B Verification Laboratory for Verification.

2. If Licensee tests its Next Production Model at its own quality assurance facility, the following procedures shall apply:

- (i) if, in its reasonable judgment, the result of the tests at its own quality assurance facility is that the Next Production Model does not comply with the applicable DVD Format Book(s), Licensee shall modify the non-compliant Product so as to comply and re-test such modified Product;
- (ii) if, in its reasonable judgment, the modified Product still fails to comply with the applicable DVD Format Book(s) following the re-test, Licensee shall either further modify the non-compliant modified Products or determine not to ship such Next Production Model with the Logos;
- (iii) Licensee shall keep records of the tests conducted at its own quality assurance facility to at least two (2) years after the discontinuation of the relevant model.
- (iv) Upon request of Licensor, Licensee shall provide to Licensor the records described in paragraph 2(iii) in a reasonably timely manner.

3. If Licensee submits samples of a Next Production Model to a Class B Verification Laboratory, the following procedures shall apply:

- (i) before samples of Licensee's Product are submitted to a Class B Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by the Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto;
- (ii) after the receipt of such sample Product,
  - (a) the Class B Verification Laboratory that received Licensee's sample Product shall test such Product in accordance with the applicable Test Specification and inform such Licensee of the results of the Verification (the Class B Verification Laboratory may designate a reasonable number of samples to be submitted and may keep a reasonable number of samples of the Product submitted by such Licensee);
  - (b) if, in the sole and reasonable judgment of such Class B Verification Laboratory, the result of the tests is that the Licensee's Product does not comply with the applicable DVD Format Book(s), the Class B Verification Laboratory shall have the right to request that Licensee modify the

non-compliant Product so as to comply, and submit sample(s) of such modified Product to such Class B Verification Laboratory within thirty (30) days or a longer period specified by such Class B Verification Laboratory (the number of samples to be submitted shall be designated by such Class B Verification Laboratory). The Class B Verification Laboratory shall re-test such modified Product in accordance with the applicable Test Specification. Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, without limitation, the names of authoring studios that created the master discs for the non-compliant DVD discs and any third-party suppliers of components for other non-compliant Products; and

(c) if, in the sole and reasonable judgment of such Class B Verification Laboratory, the sample Product still fails to comply with the applicable DVD Format Book(s) following the re-tests described in paragraph 3(ii)(b), Licensee shall either submit a further modified Product to the same Class B Verification Laboratory or determine not to ship such Next Production Model with the Logos.

4. Licensee acknowledges and agrees that the Class B Verification Laboratory shall keep records of all the Verification tests it conducts for at least three (3) years and, upon request of the Licensor, shall provide the records to the Licensor in a reasonably timely manner.

## **ANNEX B-5**

Licensor shall from time to time and at its sole discretion have the right to examine and inspect any Product marketed by Licensee or any of its Affiliates in order to identify and to address any issues that may appear regarding the Products' compliance with the DVD Format Book(s) applicable to such Product.

### **Part I.**

If Licensor determines, in its sole reasonable judgment (in cooperation with Class A Verification Laboratories where considered necessary) that Licensee or any of its Affiliates is manufacturing, selling, marketing, promoting or distributing a Product that is suspected not to be in full compliance with the applicable DVD Format Book(s), then Licensee shall follow the procedures set forth in this Part I.

1. At the request of Licensor, Licensee shall submit to Licensor sample(s) of the Products identified by Licensor within thirty (30) days from the date of such request.

2. After receipt of the sample(s), Licensor shall request a Class A Verification Laboratory of Licensor's choosing to test the sample according to the applicable Test Specification. The Licensor shall be responsible for the fees associated with these tests. Upon completion of the tests, the Verification Laboratory shall immediately inform Licensor of the test results.

3. If, as a result of the tests, the sample(s) are found not to comply with the applicable DVD Format Book(s), Licensor shall have the right to request that Licensee submit additional samples for re-testing by a Class A Verification Laboratory selected by Licensee. The Licensee shall be responsible for the fees associated with this re-testing. If, as a result of the re-tests, the sample(s) are found not to comply with the applicable DVD Format Book(s), Licensee shall modify the Product so as to comply, and submit sample(s) of such modified Product together with the results of the self-test to the same Class A Verification Laboratory within thirty (30) days from the date of such request (or such longer period as may be specified by the Class A Verification Laboratory). The Class A Verification Laboratory shall specify a reasonable number of samples to be submitted. Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s).

4. If (a) following completion of the procedures specified in Paragraph 3, in the sole and reasonable judgment of the Class A Verification Laboratory chosen by Licensee, the sample(s) still fail to comply with the applicable DVD Format Book(s), or if (b) Licensee fails to submit sample(s) of the modified Product within the period set forth in the above, then

(1) Licensor may request that Licensee further modify the Product and submit sample(s) of such modified Product to the Class A Verification Laboratory chosen by Licensee. The Class A Verification Laboratory shall follow the same procedures set forth in Paragraph 3, which shall be repeated, at the expense of Licensee, until the results demonstrate that the Product is compliant with the applicable DVD Format Book(s), or

- (2) Licensor, in its sole discretion, shall have the right to declare and inform Licensee of a Final Failure of such Product to conform to the applicable DVD Format Book(s).

## **Part II.**

When deemed necessary by Licensor, Licensor may inspect Products by obtaining samples of the Product on the market in a manner of Licensor's choosing. At Licensor's discretion, the procedures set forth in this Part II shall be followed.

1. At the request of Licensor, a Class A Verification Laboratory shall test the Product in accordance with the applicable Test Specification. Such tests shall be at the expense of Licensor. The Class A Verification Laboratory shall immediately inform Licensor of the test results.

2. If, as a result of the tests, the Product is found not to comply with the applicable DVD Format Book(s), Licensor may request Licensee to modify the non-compliant Product. In addition, Licensor may request Licensee to submit to Licensor sample(s) of such modified Product together with the results of a self-test within 30 days (or such longer period as may be specified by Licensor). Licensor shall specify a reasonable number of samples to be submitted. Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s).

3. After receipt of such modified Products and test results, Licensor shall request the same Class A Verification Laboratory to re-test the Products at the expense of the Licensor. The Class A Verification Laboratory shall immediately inform Licensor of the results of the re-tests.

4. If, as a result of the re-tests, the Product still fails to comply with the applicable DVD Format Book(s), Licensor shall have the right to request that Licensee modify the Product so as to comply with the applicable DVD Format Book(s), and to re-submit sample(s) of such modified Product together with the results of the self-test to a Class A Verification Laboratory selected by Licensee within thirty (30) days from the date of such request (or a longer period specified by the Class A Verification Laboratory). The Licensee shall be responsible for the fees associated with this testing. The Class A Verification Laboratory shall conduct such additional tests as may be required to determine whether the Product complies with the applicable DVD Format Book(s). The Class A Verification Laboratory shall specify a reasonable number of samples to be submitted. At the request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s).

5. If (a) as a result of the additional tests, in the sole and reasonable judgment of the Class A Verification Laboratory, the Product still fails to comply with the applicable DVD Format Book(s), or (b) Licensee fails to submit sample(s) of the modified Product within the period set forth in the above, then

- (1) Licensor may request that Licensee further modify the Product and submit sample(s) of such modified Product to the Class A Verification Laboratory following the same procedures above and at the expense of Licensee until the Product is verified as compliant with the applicable DVD Format Book(s), or
- (2) Licensor, in its sole discretion, shall have the right to declare and inform Licensee of a Final Failure of such Product.

## **Exhibit C**

## DVD FORMAT/LOGO LICENSE AGREEMENT

This DVD FORMAT/LOGO LICENSE AGREEMENT is entered into between DVD Format/Logo Licensing Corporation (“Licensor”), a Japanese corporation having its principal place of business at 2-3-6 Shibadaimon, Minato-ku, Tokyo 105-0012 Japan, and Sony Corporation (“Licensee”), a Japanese corporation having its principal place of business at 1-7-1 Konan, Minato-ku, Tokyo 108-0075 Japan, and is effective as of the Effective Date.

WHEREAS, certain members of the DVD Forum as specified in each DVD Format Book (“Format Owners”) have developed the DVD specifications pertaining to one or more DVD Products, and have obtained know-how, trade secret and technical information and copyrights embodied therein;

WHEREAS, the Format Owners have granted to Licensor the right to sublicense the DVD specifications;

WHEREAS, Licensor is the Logo Owner;

WHEREAS, Licensee desires to manufacture one or more DVD Products;

WHEREAS, Licensee has obtained one or more DVD Format Book(s) for such DVD specifications from Licensor for evaluation purposes only pursuant to the non-disclosure agreement that has been duly executed between Licensor and Licensee on November 22, 2006, which agreement is incorporated herein by reference (the “NDA”);

WHEREAS, Licensor and Licensee wish to enter into this Agreement, which sets forth the terms and conditions under which Licensor grants to Licensee certain rights with respect to the DVD Format Books and the Logos.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

### **1. Definitions**

For purposes hereof, the following capitalized terms shall have the respective meanings provided below and additional capitalized terms shall have the respective meanings provided in Annex A-2:

1.1 “**Affiliate**” shall mean any corporation, firm, partnership, proprietorship, or other form of business entity, in whatever country organized or resident, that (i) desires to manufacture one or more DVD Products, (ii) is directly or indirectly controlled by Licensee, and (iii) is listed in Annex C. For the purpose of this definition, “control” of an entity shall mean more than 50% direct or indirect ownership of such entity. Entities subject to the direct or indirect control of a common entity are not thereby Affiliates of each other.

1.2 “**Agreement**” shall mean this DVD Format/Logo License Agreement, including all Annexes attached hereto, and any and all amendments to this DVD Format/Logo License Agreement and/or such Annexes.

1.3 “**Annex A**” shall mean Annex A attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.4 “**Annex B**” shall mean Annex B attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.5 “**Annex C**” shall mean Annex C attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.6 “**Annex D**” shall mean Annex D attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.7 “**Annex E**” shall mean Annex E attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.8 “**DVD Format Book**” shall mean a format book listed in Annex A-1 and containing DVD specifications pertaining to one or more DVD Products, including any supplements, revisions, or updates made thereto from time to time; provided, however, that each new version of a DVD Format Book shall be considered a separate DVD Format Book, where “new version” shall mean the new specifications for a DVD Product as represented by a change of the first digit of the version number of such DVD Format Book as designated by Licensor. Except as expressly provided herein, references to “DVD Format Books” shall include applicable Optional DVD Format Books.

1.9 “**DVD Logo Manual**” shall mean the DVD Logo Manual contained in Annex A-5 that sets forth the standards for using the Logos, as it may be revised from time to time by Licensor.

1.10 “**DVD Product**” shall mean a Product identified in Annex A-2 that conforms to the applicable DVD Format Book(s) specified in Annex A-1.

1.11 “**DVD Product Category**” shall mean one of the categories of DVD Products set forth in Annex A-3.

1.12 “**Effective Date**” shall mean the later of (i) January 1, 2010 or (ii) the date on which this Agreement has been signed by both Licensee and Licensor and the license fee required by Article 5.1 is received by Licensor. With respect to any additional DVD Format Book(s) or DVD Product Category(ies) added to Annex A-1 pursuant to Article 2.2 after the Effective Date of this Agreement, the Effective Date shall be the later of (x) the date on which Licensor receives a revised Annex A-1, or (y) the date on which Licensor receives the license fee for such DVD Format Book(s) or DVD Product Category(ies) as specified in Articles 2.2 and 5.1.

1.13 “**Logo Owner**” shall mean the Licensor or any successor owner of the trademark rights, copyrights and other rights in and to the Logos pursuant to an assignment and/or transfer of such rights by the Licensor.

1.14 “**Logos**” shall mean the DVD logos as set forth in the DVD Logo Manual, which may be revised from time to time by the Licensor. “Logo” shall mean any of the Logos.



1.15 **“OEM Product”** shall mean any DVD Product manufactured by Licensee or its Affiliate to be sold under the brand, label, direction, authority or auspices of another party (the “OEM Product Customer”).

1.16 **“Optional DVD Format Book”** shall mean a supplement or addendum to a DVD Format Book that may be issued by Licensor from time to time, and that (i) is designated by Licensor as “Optional,” and (ii) contains specifications for one or more DVD Products that may be used by Licensee in conjunction with applicable DVD Format Books.

1.17 **“Product”** shall mean any disc, device or other product that uses information disclosed in a DVD Format Book.

1.18 **“Test Specification”** shall mean the minimum common specification requirement that is designated for a Product in Annex A-4 as the “Applicable Test Specification” to be evaluated during Verification.

1.19 **“Third Party Manufacturer”** shall mean any manufacturer that, pursuant to a written contract or other written agreement with Licensee, manufactures one or more DVD Products on Licensee’s behalf, irrespective of whether or not such manufacturer needs to have access to any information contained in the DVD Format Books.

1.20 **“Verification”** shall have the meaning provided in Article 4.1.

## **2. DVD Format License**

2.1 Subject to the terms and conditions and with the limitations and exceptions hereafter set forth, Licensor, as of the Effective Date, grants to Licensee and its Affiliates a non-exclusive, non-transferable license, on a worldwide basis during the term hereof, without the right to sublicense, to use the DVD Format Book(s) identified on Annex A-1 as being licensed to Licensee, including the technical information, know-how and trade secrets contained therein, solely in connection with the development, manufacture (including manufacture by a Third Party Manufacturer), sale, use or other disposition of the DVD Products included in the DVD Product Category(ies) identified on Annex A-1 as being licensed to Licensee. The license granted hereunder shall not under any circumstance authorize Licensee or its Affiliates to use the DVD Format Book(s) or the information contained therein in connection with the manufacture, sale or distribution of any Product other than the DVD Product(s) and DVD Product Category(ies) that have been designated by Licensee in Annex A-1 and for which the appropriate license fee has been paid.

2.2 Licensee shall select such DVD Format Book(s) and DVD Product Category(ies) that are licensed to Licensee and its Affiliates under this Agreement by checking the applicable box[es] on Annex A-1. During the term of this Agreement, Licensee may add any DVD Format Book(s) and DVD Product Category(ies) that Licensee has not selected previously, and may acquire a license with respect to such DVD Format Book(s) and DVD Product Category(ies), by (i) providing Licensor with a request substantially in the form of Annex E indicating Licensee’s selection of additional DVD Format Book(s) and/or DVD Product Category(ies), and (ii) paying an additional license fee in accordance with Article 5.1. The terms and conditions of this Agreement shall apply to each additional DVD Format Book and/or DVD Product Category as of the Effective Date for that DVD Format Book or DVD Product Category.

2.3 Subject to Licensor's approval, Licensee may add any Affiliate(s) of Licensee to Annex C of this Agreement, and the terms and conditions of this Agreement shall apply to such Affiliate(s) as of the date Licensor receives the amended Annex C. Licensee shall, at the request of Licensor, provide evidence satisfactory to Licensor that any entity identified in Annex C to this Agreement qualifies as an "Affiliate" under Article 1.1. If, during the term of this Agreement, an entity identified in Annex C no longer satisfies the conditions described in Article 1.1, then (i) Licensee shall notify Licensor that such entity no longer qualifies as an Affiliate, and (ii) this Agreement shall no longer apply to such entity as of the date on which the entity no longer qualified as an Affiliate.

2.4 Licensor shall have made available to Licensee under the NDA for use by Licensee and its Affiliates a copy of the then current version of one or more DVD Format Books, which may not be copied in whole or in part by anyone, including the Licensee and its Affiliates. Licensee may receive additional copies of any DVD Format Book that has been made available to Licensee for an additional fee of JPY55,000 per copy, or such other amount to be specified by Licensor. Such additional copies will be provided pursuant to, and subject to the terms and conditions of, the NDA.

2.5 In the event that Licensee arranges for the manufacture of one or more DVD Products by a Third Party Manufacturer, Licensee shall be responsible for ensuring compliance with the terms and conditions of this Agreement (including, but not limited to, Verification of such DVD Products). Licensee acknowledges that the NDA prohibits disclosure of information contained within the DVD Format Books to any third party, including any Third Party Manufacturer. Licensee agrees and acknowledges that, if it becomes necessary for a Third Party Manufacturer to have access to the information contained within the DVD Format Books, then the Third Party Manufacturer must itself become a licensee of the DVD Format Books and Logos. For the purpose of furthering Licensor's efforts regarding the enforcement or protection of Licensor's rights and interests in the DVD Format Books and/or the Logos, Licensee shall be responsible for confirming that the Third Party Manufacturer is such a licensee prior to engaging the Third Party Manufacturer to perform any task that requires information contained in the DVD Format Books. Licensee must provide to Licensor the names and contact information of all Third Party Manufacturers, licensed or otherwise, that manufactures DVD Read Only Drive, DVD Writable Drive, DVD Player and/or DVD Recorder on Licensee's behalf, in writing, unless Licensee informs Licensor of its intention not to do so, and provides a reason acceptable to Licensor for its refusal to provide that information, in writing.

2.6 In the event that Licensee manufactures an OEM Product, Licensee shall (i) be responsible for compliance with the terms and conditions of this Agreement (including, but not limited to, Verification of the OEM Product), and (ii) take reasonable steps to ensure that the OEM Product is not altered after manufacture in any manner that will affect any characteristic of the OEM Product that is addressed in the DVD Format Books. Only the Licensee or its Affiliate may apply a Logo (if licensed to Licensee hereunder) to a DVD Product.

2.7 Reserved for future addition of SID Code related provisions.

2.8 Licensee agrees that all Products manufactured or sold by Licensee shall comply with the specifications set forth in the applicable DVD Format Books, and with the updates or revisions to such DVD Format Books that Licensor may publish from time to time. In the event Licensee or its Affiliate(s) chooses to use the specifications contained in an Optional DVD Format Book for any DVD Product, then such DVD Product also shall comply with those specifications.

2.9 The licenses granted pursuant to Articles 2.1 and 3.1 of this Agreement do not apply to any Product that does not meet the requirements of Article 2.8.

2.10 IT IS EXPRESSLY UNDERSTOOD THAT THE RIGHTS AND LICENSES GRANTED PURSUANT TO THIS AGREEMENT DO NOT EXTEND TO ANY PRESENT OR FUTURE PATENT RIGHT WHATSOEVER.

### 3. DVD Logo License

3.1 Subject to the terms and conditions and with the limitations and exceptions set forth in this Agreement, Licensor, as of the Effective Date, grants to Licensee and its Affiliates a non-exclusive, non-transferable license, on a worldwide basis, without the right to sublicense, during the term hereof, to use the Logos solely (i) on DVD Products that are within DVD Product Category I or DVD Product Category II as being licensed to Licensee, (ii) on packing materials that accompany such DVD Products, (iii) in advertising and other sales and marketing literature relating to such DVD Products, including catalogues or brochures, and user manuals for such DVD Products, or (iv) in electronic images (such as websites) associated with such DVD Products.

3.2 The Logos shall be used only in the form and manner specified in the DVD Logo Manual. Licensee is strictly prohibited from using the Logos in any form other than that which is specifically set forth in the DVD Logo Manual.

3.3 Licensee shall ensure that there is imprinted legibly and irremovably on all materials and things on or with which the Logos appear in any form the legends and notices required by the DVD Logo Manual.

3.4 Licensee shall not co-join, superimpose or combine any other logo, trademark, trade name or other designation with the Logos. Licensee shall not use the Logos in a manner which impairs the right in the Logos.

3.5 Licensee shall ensure that distributors' and retailers' usage of the Logos in advertising, promotional materials, catalogues or brochures offering Licensee's DVD Products for sale shall comply with the DVD Logo Manual and Articles 3.2, 3.3, 3.4 and 4.2 of this Agreement.

3.6 Licensee may use the Logos on an OEM Product included in DVD Product Category I or DVD Product Category II, provided that (i) the only Logo appearing on the product is the Logo affixed by the Licensee or its Affiliate; (ii) the Logo complies with the requirements of the DVD Logo Manual; (iii) such DVD Product has successfully completed Verification prior to shipment by Licensee or its Affiliate; and (iv) Licensee or its Affiliate takes reasonable steps to ensure that the Logo is not altered after shipment.

3.7 Notwithstanding anything in this Agreement to the contrary, if Licensee develops, manufactures, sells, uses or otherwise disposes of DVD Products that are within DVD Product Category III, the license of the Logos granted in Article 3.1 of this Agreement shall not apply with respect to such DVD Products.

3.8 Licensee shall not register in any country any trademark, service mark, trade name, logo or other indicia of ownership (each, an "Insignia") which resembles or is confusingly similar to a Logo, or which dilutes a Logo (including, without limitation, any Insignia which incorporates a Logo) nor use any such Insignia which could reasonably be

deemed to be confusingly similar, deceptive or misleading with respect to a Logo, or which could reasonably be deemed to dilute a Logo. If Licensee uses any Insignia which, in Licensor's reasonable opinion, is confusingly similar, deceptive or misleading with respect to a Logo, or which dilutes a Logo, in connection with any product, or any service or in any territory not specifically authorized hereunder, Licensee shall, immediately upon receiving a written request from Licensor, permanently cease such use.

3.9 Except as provided in this Article 3.9, Licensor shall bear the expense of obtaining and maintaining any trademark or other intellectual property registrations applicable to the Logos. As Licensor deems necessary, Licensee at its expense will comply with the applicable laws or practices of the country(ies) in which rights relating to the Logos are registered, including, without limitation, the marking of Licensee's DVD Products with any applicable notice of registration, and the recordation of Licensee as a registered or licensed user of the Logos. At Licensor's request, Licensee shall advise Licensor of all countries in which DVD Products manufactured by Licensee, or manufactured at Licensee's behest by a Third Party Manufacturer, are sold.

#### **4. Verification**

4.1 "Verification" shall mean the procedures described in this Article 4 and in Annexes B-3, B-4 and B-5, for testing a Product's compliance with the applicable DVD Format Book(s) in accordance with the applicable Test Specifications.

4.2 Licensee (if Licensee has been granted the License to use the Logos) agrees that all Products bearing or marketed under the Logos shall conform to the applicable DVD Format Book(s) and such additional standards, specifications, instructions, or quality controls as may be communicated in writing by Licensor to Licensee from time to time, and that all uses of the Logos shall fully comply with the DVD Logo Manual. Licensee further agrees that in case the Licensee manufactures any OEM Products in DVD Product Category I or DVD Product Category II, the Licensee shall cause, and bear responsibility for causing, the OEM Product Customer to comply with the requirements that all Products bearing or marketed under the Logos shall conform to the applicable DVD Format Book(s), and that all uses of the Logos shall comply with the DVD Logo Manual.

4.3 Licensee agrees that it will not manufacture, sell, market, promote or distribute a Product within DVD Product Category I or DVD Product Category II and bearing or marketed under the Logos that is not in full compliance with the applicable DVD Format Book(s) as determined by Verification of the Product in accordance with the procedures set forth in this Article 4 and in Annexes B-3, B-4 and B-5.

4.4 If at any time during the term hereof, Licensor determines, in its sole reasonable judgment and in cooperation with a Class A Verification Laboratory listed in Annex B-1, that Licensee may be manufacturing, selling, marketing, promoting or distributing a Product that is not in full compliance with an applicable DVD Format Book, then at the request of Licensor, such Licensee shall follow the procedures set forth in Annex B-5.

4.5 If Final Failure (as defined in Annex B-3 or Annex B-5) is declared for a Product, Licensor shall have the right to terminate the rights relating to the Logos granted to Licensee under this Agreement with respect to the Product as to which Final Failure has been declared, upon thirty (30) days' prior written notice to Licensee.

4.6 The right of termination set forth in Article 4.5 above shall not be exclusive of ~~any other~~ remedies or means of redress to which the Licensor may be lawfully entitled, and all ~~such remedies~~ shall be cumulative. Upon termination of the Licensee's rights pursuant to ~~Article 4.5~~, all rights of Licensee granted hereunder relating to the Logos with respect to the ~~Product that~~ failed to meet the verification standards shall cease and the termination procedures ~~set forth in Article 10.3 below~~ shall apply to such termination.

4.7 For purposes of this Agreement, samples submitted for Verification pursuant to ~~the procedures~~ specified in this Article 4 and in Annexes B-3, B-4 or B-5 shall be selected in a ~~manner~~ acceptable to Licensor.

4.8 NO NOTICE OR STATEMENT OF ANY KIND SENT BY LICENSOR, OR ~~BY ANY LABORATORY LISTED ON ANNEX B-1, SHALL BE CONSTRUED AS A REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE DVD PRODUCT IDENTIFIED IN SUCH NOTICE OR STATEMENT, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR INTERCHANGEABILITY WITH OTHER DVD PRODUCTS.~~

## **5. Fees**

5.1 In consideration of the licenses granted hereunder, subject to the terms and ~~conditions~~ and with the limitations set forth herein, Licensee agrees to pay to Licensor the ~~license fee~~ set forth on Annex A-1 for each DVD Format Book licensed to Licensee in each ~~DVD Product Category~~ selected by Licensee as identified on Annex A-1. Licensee agrees that ~~it is entitled to deduct JPY550,000 from the license fee, provided that the fee paid by Licensee pursuant to the NDA was not previously deducted from a license fee paid by Licensee to Licensor.~~ This Agreement shall not become effective for any DVD Format Book(s) as to which ~~Licensor~~ has not received the applicable license fee from Licensee. In the event that Licensee ~~adds~~ DVD Format Book(s) and/or DVD Product Category(ies) in accordance with the ~~provisions of Article 2.2, Licensee shall pay to Licensor, concurrently with such addition, the license fee set forth on Annex A-1 for each DVD Format Book and/or DVD Product Category newly selected by Licensee.~~

5.2 Under no circumstance will Licensee be entitled to any return or refund of a ~~license fee.~~

5.3 Each time a sample Product and a test result are submitted to a verification ~~laboratory~~ for Verification pursuant to Article 4 and Annex B-3, B-4 or B-5 (regardless of the ~~number of times a Product is submitted to a verification laboratory~~), Licensee shall pay the ~~verification laboratory the fees as charged by the verification laboratory on a per-submission basis, promptly upon the receipt of an invoice from the verification laboratory (including all transportation fees for such submission and return of Licensee's DVD Product sample or test results); provided that such fees shall not exceed the applicable amount specified in Annex B-2.~~

5.4 All payments made by Licensee to Licensor or to a verification laboratory under ~~this Agreement shall be made without any deduction for any taxes, except for any income taxes that may be owed by Licensor or such verification laboratory that are required under the law of any jurisdiction outside Japan to be withheld on any payments under this Agreement, which taxes shall be withheld by Licensee only to the extent required by law and actually paid to the appropriate taxing authority. Licensee shall, within one month following payment of any such taxes, provide proof to Licensor of payment of such taxes (including, but not limited to, official~~

receipts in the name of Licensor and photocopies of all forms filed by Licensee with the appropriate taxing authorities) together with certified English translations of such documentation (if not in the English language). No other taxes or other charges (including, but not limited to, bank charges) shall be deducted from the payments made to Licensor or to a verification laboratory. Licensee shall indemnify Licensor or a verification laboratory for any penalties or interest that may be payable as a result of Licensee's failure to timely pay all taxes or other assessments of Licensor that Licensee is obligated to withhold.

5.5 Except as provided in Article 5.4, taxes imposed on payments by Licensee to Licensor or verification laboratories, including but not limited to value added taxes, consumption taxes, and sales taxes, which may be imposed now or in the future under the laws of any applicable jurisdiction, shall be Licensee's sole responsibility and Licensee shall promptly transmit such taxes to the appropriate authorities as and when they become due. Such taxes shall not affect Licensee's obligation to make payments to Licensor or verification laboratories as required under this Agreement.

5.6 Licensee shall provide written notice to Licensor of any withholding to be made pursuant to Article 5.4 before payment is made in reasonable time and with sufficient information to allow Licensor to raise any objection, including any objection to the form, method, or the amount of payment, or to the withholding of any taxes.

## **6. Information**

6.1 Licensee shall comply with Licensor's reasonable requests for cooperation in connection with Licensor's efforts regarding the enforcement or protection of Licensor's rights and interests in the DVD Format Books or the Logos.

6.2 Without limiting the generality of Article 6.1, Licensee shall comply with Licensor's reasonable requests for information, including: (i) the brand names associated with DVD Products manufactured by Licensee; (ii) the brand names associated with OEM Products manufactured by Licensee; and (iii) information regarding entities that infringe on or otherwise violate Licensor's rights in the DVD Format Books or the Logos.

6.3 Licensee acknowledges (i) that officials in various countries examine DVD Products to identify infringing trademarks, including the Logos, and (ii) that DVD Products, including OEM Products and DVD Products manufactured by Affiliates and Third Party Manufacturers, that do not identify Licensee may be subject to detention, seizure or other government action. Under no circumstance will Licensor be responsible for the treatment or disposition of DVD Products by governmental authorities.

## **7. Ownership of the DVD Format Books and Logos; Reservation of Rights**

7.1 Licensee acknowledges that this Agreement does not transfer or convey to Licensee ownership of, or any rights in, any of the DVD Format Books or the Logos, except as expressly set forth herein. Use of the Logos (if Licensee has been granted the license to use the Logos) by Licensee shall inure solely to the benefit of the Logo Owner, as owner of all rights in and to the Logos. Upon termination of this Agreement, no monetary amounts shall be assigned as attributable to any goodwill associated with such Licensee's use of the DVD Format Books or the Logos.

7.2 Licensor hereby reserves all rights not herein expressly granted by this Agreement. Such reserved rights are the sole and exclusive property of the Licensor, the Format Owners, and the Logo Owner.

## **8. Confidentiality**

8.1 Licensee agrees that Licensee shall not disclose to any third party information contained in the DVD Format Book(s) licensed hereunder or any other information provided by Licensor pursuant to the terms and conditions of the NDA. Licensee further agrees that Licensee shall use information contained in the DVD Format Book(s) licensed hereunder, and any other information provided by Licensor to Licensee, in accordance with the terms and conditions of the NDA regarding the confidential treatment of such information, and only for the development, manufacture, sale, use and other disposition of the DVD Product(s) included in the DVD Product Category(ies) identified on Annex A-3 and selected by Licensee.

8.2 Licensor shall treat any information provided to Licensor by Licensee or its Affiliates pursuant to Articles 2.5 and 6 as confidential, and shall not disclose such information to any third party, except (a) as may be required by law (in which event, to the extent possible, Licensor shall provide Licensee with reasonable advance notice of such disclosure); (b) as part of Licensor's effort (whether by official proceeding or otherwise) to enforce or protect Licensor's intellectual property rights and other interests in the DVD Format Books and the Logos; (c) if Licensor receives the information from another source to which the Licensor does not owe an obligation of confidentiality; or (d) if the information is or becomes available in the public domain.

## **9. Warranty and Disclaimer**

9.1 LICENSOR, THE FORMAT OWNERS AND THE LOGO OWNER MAKE NO REPRESENTATION OR WARRANTY AS TO THE VALUE OR UTILITY OF THE INFORMATION TO BE SUPPLIED TO LICENSEE OR ITS AFFILIATES PURSUANT TO THIS AGREEMENT, SUCH AS BUT NOT LIMITED TO THE DVD FORMAT BOOKS, THE DVD LOGO MANUAL, AND TECHNICAL INFORMATION AND SUPPORT, IF ANY, OR THE ABILITY OF LICENSEE OR ITS AFFILIATES TO MAKE USE THEREOF TO SECURE INTERCHANGEABILITY WITH OTHER DVD PRODUCTS. LICENSOR, FORMAT OWNERS, AND LOGO OWNER MAKE NO WARRANTY WHATSOEVER THAT THE USE OF INFORMATION SUPPLIED BY LICENSOR DOES NOT INFRINGE OR WILL NOT CAUSE INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT OWNED OR CONTROLLED BY ANY PERSON. LICENSEE UNDERSTANDS AND AGREES THAT THE LICENSOR, FORMAT OWNERS AND LOGO OWNER MAKE NO WARRANTY WHATSOEVER THAT ANY MANUFACTURE, USE, SALE, LEASE OR OTHER DISPOSAL OF LICENSED PRODUCTS WILL BE FREE FROM INFRINGEMENT OF ANY THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS. IT IS EXPLICITLY UNDERSTOOD BY LICENSEE THAT LICENSOR AND FORMAT OWNERS CLAIM TO HAVE ISSUED OR PROSPECTIVE PATENTS PERTINENT TO THE LICENSED PRODUCTS, WHICH PATENTS ARE NOT LICENSED HEREUNDER. LICENSOR, FORMAT OWNERS AND LOGO OWNER MAKE NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, STATUTORY OR OTHERWISE, AND EXPRESSLY DISCLAIM IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY EQUIVALENTS UNDER THE LAWS OF ANY JURISDICTION THAT MIGHT ARISE FROM ANY ACTIVITIES OR INFORMATION DISCLOSURES RELATING TO THIS AGREEMENT.

9.2 Nothing in this Agreement shall be construed as imposing on Licensor an obligation to take any action to protect its intellectual property rights or other interests in the DVD Format Books and/or the Logos.

9.3 Licensee acknowledges and agrees that Licensor shall not be liable for the actions of any government official, agency or other authority with respect to the enforcement of any law or regulation applied or relating to DVD Products.

## **10. Term and Termination**

10.1 This Agreement shall become effective as of the Effective Date and shall continue in force until December 31, 2014, unless terminated earlier. The parties hereby agree that prior to such expiration (other than upon earlier termination of this Agreement pursuant to the provisions herein), the parties shall negotiate in good faith to renew the license granted hereunder as such renewal may be subject to further terms and conditions, including payment of then determined license fees.

10.2 Either party may terminate this Agreement at any time on thirty (30) days' written notice to the other party in the event that the latter shall materially breach or fail to perform any material obligation under this Agreement and such default is not remedied within thirty (30) days after notice is given specifying the nature of the default. Such right of termination shall not be exclusive of any other remedies or means of redress to which the non-defaulting party may be lawfully entitled, and all such remedies shall be cumulative. Licensee may terminate this agreement at any time on sixty (60) days' prior written notice to Licensor.

10.3 Immediately upon expiration or earlier termination of this Agreement, Licensee shall return to Licensor, or at Licensor's instruction, destroy all copies of the DVD Format Books in Licensee's possession and certify to Licensor that it has done so in a written sworn statement of an officer of Licensee delivered to Licensor within fifteen (15) days after such destruction or return. Licensee acknowledges that, on the last day of the term of this Agreement or upon its earlier termination, all rights granted by this Agreement shall cease.

10.4 Licensee hereby agrees (if Licensee has been granted the license to use the Logos) that the use of the Logos in any way not in compliance with the DVD Logo Manual, as such manual may be modified from time to time, or on any Product or in any advertisement or sales literature concerning any Product, which Product does not comply with the applicable DVD Format Book, shall constitute a material breach of this Agreement and infringement of the Logos.

10.5 Licensee hereby agrees that Licensor, at its sole discretion, may deem a declaration of Final Failure pursuant to Annex B-5 with respect to a Product manufactured by or on behalf of Licensee or its Affiliate as a material breach of this Agreement.

10.6 In the event that any Event of Bankruptcy occurs, then Licensor may give notice to Licensee terminating this Agreement and this Agreement shall be terminated in accordance with the notice. An "Event of Bankruptcy" occurs if:

(i) a decree or order by a court having jurisdiction in the premises has been entered adjudging Licensee a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition, winding up or similar relief for Licensee under any applicable statute, or a decree or order of a court having



jurisdiction in the premises for the appointment of a liquidator, receiver, administrator, trustee or assignee in bankruptcy or insolvency or other similar person or official of Licensee or of a substantial part of the property, or for the winding up or liquidation of the affairs of Licensee has been entered and remains unstayed; or if any substantial part of the property of Licensee has been sequestered or attached and has not been returned to the possession of Licensee or released from such attachment within 14 days thereafter; whether any such act or event occurs in Japan, or any foreign country, subdivision thereof, or any other jurisdiction; or

- (ii) Licensee institutes proceedings to be adjudicated a voluntary bankrupt or insolvent, consents to the filing of a bankruptcy or insolvency proceeding against it, files a petition or answer or consent seeking reorganization, readjustment, arrangement, composition, winding up, administration, receivership, or similar relief under any applicable statute or consents to the filing of any such petition or the entry of any such order, makes an assignment for the benefit of creditors, is determined to be unable to pay its debts or admits in writing its inability to pay its debts generally as they become due, or voluntarily suspends transactions of a substantial portion of its usual business; whether any such act or event occurs in Japan, or any foreign country or subdivision thereof, or any other jurisdiction.

10.7 The rights and obligations set forth in Articles 5, 7, 8, 9, 10.3, 12.6, 12.7 and this Article 10.7 shall survive the termination or expiration of this Agreement.

## **11. Notices**

11.1 Except as provided in Article 11.2, wherever provision is made in this Agreement for the giving of any notice or communication, such notice or communication shall be in writing and shall be deemed to have been duly given if mailed by airmail, postage prepaid, addressed to the party entitled to receive the same or delivered to such party, or sent by facsimile transmission, by e-mail, or sent by courier, in each case to the attention of the individual acting on behalf of such party specified below (the "Contact Person"):

if to Licensor, to:

DVD Format/Logo Licensing Corporation  
Daimon Urbanist Bldg. 6F, 2-3-6 Shibadaimon,  
Minato-ku, Tokyo 105-0012  
Japan

Attention: Ms. Kaoru Saito  
Manager,  
Licensing  
Tel No.: +81-3-5777-2883  
Fax No.: +81-3-5777-2884  
E-mail: [license@dvdflc.co.jp](mailto:license@dvdflc.co.jp)  
or [kaysaito@dvdflc.co.jp](mailto:kaysaito@dvdflc.co.jp)

and if to the Licensee, to:

Sony Corporation  
Shinagawa INTERCITY C Tower, Shinagawa Tec,  
2-15-3 Konan, Minato-ku Tokyo 108-6201  
Japan

Attention: Ms. Seiko Tanaka  
 Assistant Manager,  
 Project & Alliance Section BD Strategy Office,  
 3D&BD Project Management Division

Tel No : +81-3-5769-5730  
 Fax No.: +81-3-5769-5727  
 E-mail: SeikoA.Tanaka@jp.sony.com

or to such other Contact Person or address, in any such case, as any party hereto shall have last designated by notice to the other party. Notice shall be deemed to have been given on the day that it is so delivered personally or sent by facsimile transmission and confirmation of successful transmission is received or by e-mail and successful transmission is confirmed or, if sent by courier, shall be deemed to have been given two business days after delivery by the courier company, or if mailed, ten business days following the date on which such notice was so mailed.

11.2 In the event that Licensor is unable following two attempts to effect notice to Licensee pursuant to Article 11.1, Licensor may effect notice to Licensee by any means reasonably calculated to provide notice to Licensee, including but not limited to publication on Licensor's website (www.dvdfllc.co.jp), provided that notice provided by publication on Licensor's website shall be effective on the date specified on the notice, which shall be no less than thirty (30) days following the date of publication.

11.3 Licensee agrees to have its name and the DVD Format Books and DVD Product Category(ies) for which Licensee is licensed be listed on Licensor's website (www.dvdfllc.co.jp), unless Licensee otherwise notifies Licensor in writing. Licensor may discontinue such listing of Licensees on its website, at Licensor's discretion.

11.4 Licensee agrees to have its name and the DVD Products that passed Verification in accordance with Annex B-3 listed on Licensor's website (www.dvdfllc.co.jp), unless Licensee otherwise notifies Licensor in writing. Licensor may at its discretion (i) choose the specific DVD Products to be listed, and (ii) start or discontinue web disclosure at any time. Licensor will list all such Licensees that have passed Verification, as reported to Licensor, for the specific DVD Products that Licensor has elected to list.

## **12. Miscellaneous**

12.1 Licensee agrees that it will not bring any actions for unauthorized use or infringement of any of the DVD Format Books or the Logos. Licensee will notify Licensor immediately should it learn of any such unauthorized use or infringement by any entity. Licensor shall have the option, at its own expense, to assume the defense of any suit or action brought against Licensee that challenges or concerns the validity of any right granted by Licensor hereunder. Licensor shall be entitled to all proceeds resulting from any such suit or action.

12.2 The performance by Licensor of its obligations hereunder shall be conditioned upon and subject to the receipt of all necessary export approvals required by and all restrictions or conditions imposed by any relevant government

12.3 Licensors represent and warrant that it has the right to enter into this Agreement and to grant a license to Licensee pursuant to the terms hereof on behalf of the Format Owners and Logo Owner.

12.4 This Agreement and the rights granted hereunder shall be personal to Licensee and shall not be assigned, transferred, sold, pledged, divided or made subject to any lien, charge, security interest or encumbrance of any kind or manner. Licensee shall not have the right to sublicense any rights granted hereunder. For purpose of this Article 12.4, (i) any transaction (including but not limited to any merger, statutory or otherwise) resulting in a combination of the Licensee and another Person, in which the Licensee is not the surviving entity, shall constitute a transfer of the Agreement, and (ii) "Person" means any corporate or juridical entity (including a general or limited partnership), any joint venture, or any other entity recognized under the statutes, laws or regulations of the jurisdiction in which such entity was established or organized.

12.5 Licensors shall have the right to assign this Agreement, at any time during the term thereof, to any other entity(ies) that succeed(s) Licensors in its function as the licensors of the DVD Format Books and the Logos, upon prior written notice to Licensee.

12.6 THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED, AND ANY MATTERS RELATING TO THIS AGREEMENT SHALL BE DECIDED, ACCORDING TO THE LAWS OF THE STATE OF NEW YORK, AS IF THIS AGREEMENT WERE WHOLLY EXECUTED AND WHOLLY PERFORMED WITHIN SUCH STATE.

12.7 LICENSEE AGREES AND ACKNOWLEDGES THAT ALL DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH THE INTERPRETATION OR EXECUTION OF THIS AGREEMENT, LICENSOR'S LICENSING OF THE LOGOS OR THE DVD FORMAT BOOKS, OR LICENSEE'S USE OF THE DVD FORMAT BOOKS AND THE LOGOS, SHALL BE FINALLY SETTLED BY THE FEDERAL OR STATE COURTS LOCATED IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK; AND EACH PARTY TO THIS AGREEMENT HEREBY: (i) IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE RESOLUTION OF SUCH DISPUTES; (ii) IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF SAID COURTS IN ANY SUCH DISPUTE BY PERSONAL DELIVERY OR MAILING OF PROCESS BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, AT THE RESPECTIVE ADDRESS SET FORTH IN ARTICLE 11.1 ABOVE; (iii) IRREVOCABLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN SUCH COURTS OR TO THE CONVENIENCE OR INCONVENIENCE OF CONDUCTING OR PURSUING ANY ACTION OR PROCEEDING IN ANY SUCH COURT; AND (iv) IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY REGARDING THE RESOLUTION OF ANY DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

12.8 Licensee agrees to all of the terms and conditions of this Agreement (including, but not limited to, Articles 2.10, 4.8, 9.1, 12.6 and 12.7) on its own behalf and on behalf of its Affiliates. This Agreement shall inure to the benefit of the parties hereto and to each of Licensee's Affiliates, provided that (i) each such Affiliate shall comply with the terms of this Agreement as those terms apply to the Licensee, (ii) nothing herein shall relieve Licensee of any of its obligations under the terms of this Agreement, (iii) Licensee agrees to cause its Affiliates to comply with the terms and conditions of this Agreement in the same manner and to

the same extent as they apply to Licensee (except that only the Licensee shall be liable for payment of the license fee to Licensor); and (iv) Licensee shall be responsible for the acts or omissions of its Affiliates as if such acts or omissions had been the acts or omissions of Licensee. Without limiting the generality of the foregoing, any breach of this Agreement by an Affiliate shall be deemed by Licensor as a breach by Licensee.

12.9 This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges all prior discussions between them and neither of the parties shall be bound by any conditions, definitions, warranties, waivers, releases or representations (either expressed or implied) with respect to the subject matter of this Agreement, other than expressly set forth herein (including the Annexes hereto), or as duly set forth on or subsequent to the date hereof in writing signed by a duly authorized representative of the party to be bound thereby.

12.10 This Agreement may be executed in counterparts (including facsimile transmission) each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives as of the Effective Date.

SONY CORPORATION

DVD FORMAT/LOGO LICENSING  
CORPORATION  
By (Sign)

Akira Shimazu

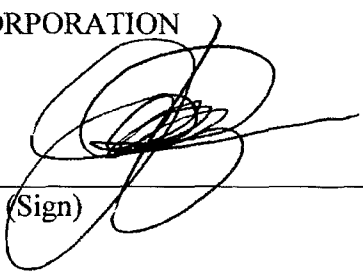
Name (Print)

Senior General Manager,  
ID&BD Project Management Division

Title

  
Date

Dec. 10, 2009

  
By (Sign)

Makoto Inabayashi

Name (Print)

President

Title

Date

15 Dec. 2009

# **ANNEX A-1**

## **DVD Products, Corresponding DVD Format Books and License Fees**

DVD Format Books	DVD Product Category	License Fee	Licensed Product Category
DVD-ROM Book (DVD Specifications for Read-Only Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	✓ AS
	II(1)	JPY1,100,000	✓ AS
	III	JPY1,100,000	✓ AS
DVD-Video Book (DVD Specifications for Read-Only Disc) Part 1: Video	I	JPY1,100,000	✓ AS
	II(1)	JPY1,100,000	✓ AS
	II(2)	JPY1,100,000	✓ AS
	III	JPY1,100,000	✓ AS
DVD-Audio Book (DVD Specifications for Read-Only Disc) Part 1: Audio	I	JPY1,100,000	✓ AS
	II(1)	JPY1,100,000	
	III	JPY1,100,000	
DVD-R (3.9Gbytes) Book (DVD Specifications for Recordable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	✓ AS
	III	JPY1,100,000	✓ AS
DVD-R for Authoring Book(DVD Specifications for Recordable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
DVD-R for General Book (DVD Specifications for Recordable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	✓ AS
	II(1 & 2)	JPY1,100,000	✓ AS
	III	JPY1,100,000	
DVD-R for DL Book(DVD Specifications for Recordable Disc for Dual Layer) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	✓ AS
	III	JPY1,100,000	
DVD-Download Book (DVD Specifications for Download Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	✓ AS
	III	JPY1,100,000	
DVD-Download for DL Book (DVD Specifications for Download Disc for Dual Layer) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	✓ AS
	III	JPY1,100,000	
DVD-RAM(2 6Gbytes) Book (DVD Specifications for Rewritable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	✓ AS
DVD-RAM(4 7Gbytes) Book (DVD Specifications for Rewritable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	✓ AS
	III	JPY1,100,000	
DVD-RW Book (DVD Specifications for Re-recordable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	✓ AS
	II(1 & 2)	JPY1,100,000	✓ AS
	III	JPY1,100,000	
DVD-RW for DL Book (DVD Specifications for Re-recordable Disc for Dual Layer) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	

DVD Format Books	DVD Product Category	License Fee	Licensed Product Category
DVD-VR Book DVD Specifications for DVD-RAM/DVD-RW/DVD-R for (General Discs) Part 3 Video Recording	II(1 & 2)	JPY1,100,000	✓ M
DVD-SR Book DVD Specifications for DVD-RAM/DVD-RW/DVD-R for (General Discs) Part 5 Stream Recording	III	JPY1,100,000	
DVD-AR Book DVD Specifications for DVD-RAM/DVD-RW/DVD-R for (General Discs) Part 4 Audio Recording	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-ROM Book DVD Specifications for High Density Read-Only Disc) Part 1: Physical	I	JPY1,100,000	
Part 2: File System	II(1)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-Video Book DVD Specifications for High Definition Video) Discs 1 to 10	I	JPY1,100,000	
	II(1)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-R Book DVD Specifications for High Density Recordable Disc) Part 1: Physical	I	JPY1,100,000	
Part 2: File System	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-R for DL Book DVD Specifications for High Density Recordable Disc for Dual Layer) Part 1: Physical	I	JPY1,100,000	
Part 2: File System	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-RAM Book DVD Specifications for High Density Rewritable Disc) Part 1: Physical	I	JPY1,100,000	
Part 2: File System	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-RW Book DVD Specifications for High Density Re-recordable Disc) Part 1: Physical	I	JPY1,100,000	
Part 2: File System	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-RW for DL Book DVD Specifications for High Density Re recordable Disc for Dual Layer) Part 1: Physical	I	JPY1,100,000	
Part 2: File System	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-VR Book DVD Specifications for High Definition Video Recording)	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
Total Fees	JPY		¥ 11,000,000 mi

15 Dec '09

## **ANNEX C**

### **List of Licensee's Affiliates**

SONY DADC AUSTRIA AG

SONY DADC US INC

SONY MUSIC ENTERTAINMENT INC. PITMAN

SONY DADC JAPAN INC.

SONY DADC AUSTRALIA PTY LTD.

SONY DADC CANADA CO.

SONY DADC MEXICO S.A. DE C.V.

SONY DADC BRASIL INDUSTRIA, COMERCIO E DISTRIBUICAO VIDEO-FONOGRAFUCA LTDA.

SONY DADC HONG KONG LTD.

SONY DADC MANUFACTURING INDIA PRIVATE LTD.

SONY DADC UK LTD.

SONY OPTIARC INC.

SONY OPTIARC EUROPE GMBH

SONY OPTIARC AMERICA INC.

SONY EMCS (MALAYSIA) SDH. BDH.

SHANGHAI SUO GUANG ELECTRONICS CO., LTD.

SONY EMCS CORPORATION TOKAI TEC

SONY MANUFACTURING SYSTEMS CORPORATION

SONY COMPUTER ENTERTAINMENT INC.

SONY ENERGY DEVICE CORPORATION

SONY SEMICONDUCTOR KYUSHU CORPORATION

SONY EMCS CORPORATION





START LABO INC.

SONY EMCS (MALAYSIA) SDN. BHD.

SONY PLASTICOS DA AMAZONIA LTDA.



## **ANNEX B-1**

### **VERIFICATION LABORATORIES**

#### **Class A Verification Laboratories**

##### **China**

###### **China Electronics Technology Group Corporation**

###### **No.3 Research Institute**

DVD Verification Laboratory

7B North Jiuxianqiao Road, Chaoyang District,

Beijing 100015 China

TEL: +86-10-64363131 ext. 6848

FAX: +86-10-64362324

##### **Europe**

###### **Dataplay GmbH**

DVD Verification Laboratory

Anton Maria Schyrle Strasse 7,

A-6600 Reutte, Austria

TEL: +43-5672-206-0

FAX: +43-5672-206-730

E-mail: a-lab@datarius.com

<http://www.datarius.com>

##### **Japan**

###### **ALMEDIO INC.**

Testing Laboratory

32-13, Sakae-cho 2 chome,

Higashimurayama-shi,

Tokyo, 189-0013 Japan

FAX: +81-42-397-1919

###### **Hitachi, Ltd.**

Format Verification Center

292 Yoshida-cho, Totsuka-ku, Yokohama-shi,

Kanagawa 244-0817 Japan

FAX: +81-45-866-5905

###### **Memory-Tech Corporation**

DVD Verification Laboratory

2-27-25, Minami-Aoyama, Minato-ku,

Tokyo 107-0062 Japan

TEL: +81-3-3405-8925

Fax: +81-3-3405-7602

Email: [verification-lab@memory-tech.co.jp](mailto:verification-lab@memory-tech.co.jp)

<http://www.memory-tech.co.jp>

**Mitsubishi Electric Corporation**

DVD Verification Laboratory  
Advanced Technology R&D Center  
1 Zusho-Baba, Nagaokakyo-city,  
Kyoto 617-8550 Japan  
FAX: +81-75-958-3703

**Panasonic Corporation**

Format Verification Laboratory  
1-15, Matsuo-cho, Kadoma,  
Osaka 571-8504 Japan  
FAX: +81-6-6909-5027

**PIONEER CORPORATION**

Verification Laboratory  
6-1-2 Fujimi, Tsurugashima-shi,  
Saitama 350-2288 Japan  
Fax: +81-49-279-1512

**SANYO Electric Co., Ltd.**

DVD Verification Laboratory  
180, Ohmori, Anpachi-cho, Anpachi-gun  
Gifu 503-0195 Japan  
Fax: +81-584-64-2383

**SHARP CORPORATION**

DVD Verification Laboratory  
174, Hayakawa-cho, Yaita-city,  
Tochigi 329-2193 Japan  
TEL: +81-287-44-3749  
FAX: +81-287-43-6680

**Sony Corporation**

Verification Laboratory  
5-1-12, Kitashinagawa, Shinagawa-ku,  
Tokyo 141-0001 Japan  
FAX: +81-3-5448-3458

**Toshiba Corporation**

DVD Verification Laboratory  
Strategic Licensing & Alliance Division  
No.410-Bldg. in Yokohama Complex, 8, Shinsugita-cho,  
Isogo-ku, Yokohama, Kanagawa 235-8522 Japan  
FAX: +81-45-770-3339

**Victor Company of Japan, Limited**

DVD Verification Lab.  
12, 3-chome, Moriya-cho, Kanagawa-ku,  
Yokohama, Kanagawa 221-8528 Japan  
FAX: +81-45-450-2428  
E-mail: verification-lab@jvc-victor.jp



## **Korea**

### **LG Electronics Inc.**

DVD Verification Laboratory  
DAV Division DDM Standards Gr.  
19-1, Cheongho-Ri, Jinwuy-Myun,  
Pyungtaik-City, Kyunggi-Do 451-713 Korea  
TEL: +82-31-610-5335  
FAX: +82-31-610-5355

### **SAMSUNG ELECTRONICS CO., LTD.**

Format Verification Lab.  
VD Division, DM Business  
416, Maetan-3Dong, Yeongtong-Gu, Suwon-City,  
Gyeonggi-Do 443-742 Korea  
TEL: +82-31-277-0875  
FAX: +82-31-277-3398

## **U.S.A.**

### **Crest Digital**

DVD Verification Laboratory  
3845 E. Coronado Street,  
Anaheim, CA 92807 U. S. A.  
FAX: +1-323-466-7128  
Email:dvdlaboratory@crestnational.com

### **Panasonic Disc Manufacturing Corporation of America**

PDMC Verification Laboratory  
20608 Madrona Avenue,  
Torrance, CA 90503 U. S. A.  
FAX: +1-310-783-4849

## **Taiwan**

### **Industrial Technology Research Institute**

DVD Verification Laboratory  
Rm. 233, Bldg. 53, 195, Section 4, Chung Hsing Road,  
Chutung, Hsinchu 310 Taiwan  
FAX: +886-3-5832805

**ANNEX B-2****MAXIMUM VERIFICATION FEES**

Effective Date: January, 2010

<b>Products</b>	<b>Fees</b>
DVD-ROM Disc	\$5,000
Time Limited DVD-ROM Disc	\$10,000
DVD-Video Disc	\$5,000
DVD-Audio Disc	\$5,000
DVD-R (3.9Gbytes) Disc	\$7,500
DVD-R for Authoring Disc	\$7,500
DVD-R for General Disc	\$7,500
DVD-R (4X Speed) Disc	\$7,500
DVD-R (8X Speed) Disc	\$15,000
DVD-R (16X Speed) Disc	\$15,000
DVD-R for DL (2X Speed) Disc	\$7,500
DVD-R for DL (4X Speed) Disc	\$15,000
DVD-R for DL (8X Speed) Disc	\$15,000
DVD-R for DL (12X Speed) Disc	\$15,000
DVD-Download Disc without pre-record	\$7,500
DVD-Download Disc with pre-record	\$15,000
DVD-Download for DL Disc without pre-record	\$15,000
DVD-Download for DL Disc with pre-record	\$15,000
DVD-RW Disc	\$7,500
DVD-RW (2X Speed) Disc	\$7,500
DVD-RW (4X Speed) Disc	\$15,000
DVD-RW (6X Speed) Disc	\$15,000
DVD-RW for DL (2X Speed) Disc	\$7,500
DVD-RAM (2.6Gbytes) Disc	\$7,500
DVD-RAM (4.7/1.46Gbytes) Disc	\$7,500
DVD-RAM (3X Speed) Disc	\$7,500
DVD-RAM (5X Speed) Disc	\$15,000
DVD-RAM (6X Speed) Disc	\$7,500
DVD-RAM (8X Speed) Disc	\$7,500
DVD-RAM (12X Speed) Disc	\$15,000
Empty case for DVD-RAM (4.7Gbytes) Disc	\$1,000
DVD-ROM Drive	\$5,000
DVD-R (3.9Gbytes) Drive	\$7,500
DVD-R for Authoring Drive	\$7,500
DVD-R for General Drive	\$7,500
DVD-R for DL Drive	\$15,000
DVD-Download Drive	\$7,500
DVD-Download for DL Drive	\$15,000
DVD-RW Drive	\$7,500
DVD-RW for DL Drive	\$15,000
DVD-RAM (2.6Gbytes) Drive	\$7,500
DVD-RAM (4.7/1.46Gbytes) Drive	\$7,500

DVD-Video Player	\$10,000
DVD-Audio Player	\$10,000
DVD-R Video Format Recorder	\$10,000
DVD-R for DL Video Format Recorder	\$20,000
DVD-R Video (VR) Recorder	\$10,000
DVD-R for DL Video (VR) Recorder	\$20,000
DVD-RW Video Format Recorder	\$10,000
DVD-RW Video (VR) Recorder	\$10,000
DVD-RW for DL Video (VR) Recorder	TBD
DVD-RAM Video (VR) Recorder	\$10,000
PC Video Format Authoring Software	\$10,000
PC VR Format Recording Software	\$10,000
HD DVD-ROM Disc	\$7,500
HD DVD-Video Disc (Red Laser)	\$10,000
HD DVD-Video Disc (Blue Laser)	\$10,000
HD DVD-R Disc	\$10,000
HD DVD-R (2X Speed) Disc	\$12,000
HD DVD-R for DL Disc	\$15,000
HD DVD-RAM Disc	\$10,000
HD DVD-RW Disc	\$10,000
HD DVD-RW (2X Speed) Disc	\$12,000
HD DVD-RW for DL Disc	\$15,000
HD DVD-ROM Drive	\$7,500
HD DVD-R (1X Speed) Drive	\$10,000
HD DVD-R (2X/1X Speed) Drive	\$12,000
HD DVD-R for DL Drive	\$15,000
HD DVD-RAM Drive	\$10,000
HD DVD-RW (1X Speed) Drive	\$10,000
HD DVD-RW (2X/1X Speed) Drive	\$12,000
HD DVD-RW for DL Drive	TBD
HD DVD-Video Player	\$20,000
HD DVD-VR Recorder for HD DVD-R	\$15,000
HD DVD-VR Recorder for HD DVD-R for DL	\$20,000
HD DVD-VR Recorder for HD DVD-RAM	\$15,000
HD DVD-VR Recorder for DVD-R	\$15,000
HD DVD-VR Recorder for DVD-R for DL	\$20,000
HD DVD-VR Recorder for DVD-RW	\$15,000
HD DVD-VR Recorder for DVD-RAM	\$15,000
HD DVD-VR Recorder for HD DVD-RW (1X Speed)	\$15,000
HD DVD-VR Recorder for HD DVD-RW (2X/1X Speed)	\$15,000
HD DVD-VR Recorder for HD DVD-RW for DL	TBD
PC HD DVD-Video Authoring Software	\$15,000
PC HD DVD-VR Recording Software	TBD

***For further inquiries and details, please contact an individual Class A Verification Laboratory.***

**Payment of the Verification fee, as required by Article 5 of the Agreement, shall be arranged pursuant to an agreement between Licensee and a Verification Laboratory.**

### **ANNEX B-3**

This Annex B-3 addresses the Verification of the Licensee's "First Production Model" as defined in the applicable Test Specification set forth in Annex A-4.

Licensees with respect to DVD Products in DVD Product Category I and DVD Product Category II(1) that use the DVD Video Format Book "DVD Specifications for Read Only Discs," Part 3, should follow **Part I**.

Manufacturers of DVD Products not covered by Part I should follow **Part II**.

This Annex B-3 does not apply to any First Production Model for which Verification was successfully completed prior to January 1, 2010.

#### **Part I.**

Prior to the initial commercial shipment of the First Production Model of a Product, Licensee shall undertake the following procedures and obtain a "Confirmation of Verification" in writing from a Class A Verification Laboratory regarding the DVD Product's compliance with the applicable DVD Format Book(s).

1. Prior to the initial commercial shipment of the First Production Model, Licensee shall test the First Production Model using the verification tool and following the instructions provided by a Class A Verification Laboratory listed on Annex B-1 and selected by Licensee. At the conclusion of the test, Licensee shall submit to the Laboratory the results of the test together with samples of the First Production Model so tested, and concurrently send a notice of that submission to Licensor. The Class A Verification Laboratory shall designate a reasonable number of samples to be submitted. Licensee may request that the Class A Verification Laboratory complete its testing and send the results of the tests to Licensee within thirty (30) working days from receipt of the Licensee's test results and the specified number of samples of the First Production Model. The Class A Verification Laboratory, if so requested, shall make reasonable efforts to comply with this request.

2. Before samples of the Licensee's Product are submitted to a Class A Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by the Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto.

3. After the Class A Verification Laboratory receives Licensee's test results and samples of Licensee's First Production Model:

- (i) the Class A Verification Laboratory that received the Licensee's test results and samples of the First Production Model shall test the Product according to the applicable Test Specification, and shall inform Licensee and Licensor concurrently of the results (the Class A Verification Laboratory may keep a

reasonable number of samples of the Product submitted by Licensee);

- (ii) if, in the sole and reasonable judgment of the Class A Verification Laboratory, the result of the tests is that the First Production Model does not comply with the applicable DVD Format Book(s), Licensor shall have the right to request that Licensee modify the non-compliant Product so as to comply and submit sample(s) of such modified Product to the same Class A Verification Laboratory within thirty (30) days or a longer period specified by such Class A Verification Laboratory (a reasonable number of samples to be submitted shall be designated by such Class A Verification Laboratory). The Class A Verification Laboratory shall re-test the modified First Production Model according to the applicable Test Specification, and shall inform Licensee and Licensor concurrently of the results. In addition, upon the request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, without limitation, the names of authoring studios that created the master discs for the non-compliant Product (for Products in DVD Product Category I) and the identity of any third-party suppliers of components for the non-compliant Product (for Products in DVD Product Category II(1)); and
- (iii) if, (a) following the re-testing of the modified First Production Model, in the sole and reasonable judgment of the Class A Verification Laboratory, the Product still fails to comply with the applicable DVD Format Book(s) or (b) Licensee fails to submit a modified Product within the period set forth in the above paragraph 3(ii), Licensor, in its sole discretion, shall have the right either (x) to request that Licensee further modify the Product and submit sample(s) of such further modified Product to the same Class A Verification Laboratory pursuant to paragraph 3(ii), or (y) to declare and inform Licensee of a final failure of such product to conform to the applicable DVD Format Book(s) ("Final Failure").

## Part II.

1. At any time after the Effective Date but no later than sixty (60) days after the initial commercial shipment of the First Production Model of a Product, Licensee shall test the First Production Model using the verification tool and following the instructions provided by a Class A Verification Laboratory listed on Annex B-1 and selected by the Licensee. At the conclusion of the test, Licensee shall submit the results of such test together with samples of the First Production Model so tested to such Laboratory, and concurrently send a notice of that submission to Licensor. The Class A Verification Laboratory shall designate a reasonable number of samples to be submitted.

2. Before samples of the Licensee's Product are submitted to a Class A Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by the Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto.



## **ANNEX B-4**

This Annex B-4 applies to “Next Production Models” of Products as defined in the applicable Test Specification set forth in Annex A-4.

Licensees with respect to DVD Products in DVD Product Category I and DVD Product Category II(1) that use the DVD Video Format Book “DVD Specifications for Read Only Discs,” Part 3, shall follow **Part I**.

Licensees with respect to other DVD Products shall follow **Part II**.

### **Part I.**

Prior to the initial commercial shipment of the Next Production Model of a Product, Licensee shall undertake the following procedures to test the Product’s compliance with the applicable DVD Format Book(s).

1. Prior to the initial commercial shipment of the Next Production Model, Licensee shall (i) test such Next Production Model at its own quality assurance facility using the verification tools and in accordance with procedures set forth in the Test Specification, or (ii) if Licensee or its Affiliates does not have its own quality assurance facility, submit samples of such Next Production Model to a Class B Verification Laboratory for Verification.

2. If the Next Production Model is tested at Licensee’s own quality assurance facility, the following procedures shall apply:

- (i) if, in Licensee’s reasonable judgment, the result of the testing and verification at Licensee’s own quality assurance facility is that such Next Production Model does not comply with the applicable DVD Format Book(s), Licensee shall (i) modify the non-compliant Product so as to comply, and (ii) re-test and verify such modified Product;
- (ii) if, in Licensee’s reasonable judgment, the modified Product still fails to comply with the applicable DVD Format Book(s) following the re-testing of the Product, Licensee shall either further modify the non-compliant modified Product or determine not to ship such Next Production Model with the Logos.
- (iii) Licensee shall keep records of the tests conducted at its own quality assurance facility pursuant to this Annex B-4 for at least two (2) years after the discontinuation of production of the relevant model.
- (iv) Upon request of Licensor, Licensee shall provide to Licensor the records described in paragraph 2(iii) above in a reasonably timely manner.

3. If Licensee submits samples of a Next Production Model to a Class B Verification Laboratory, the following procedures shall apply:

- (i) before Licensee's samples are submitted to a Class B Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto. Licensee may request that the Class B Verification Laboratory finish its testing and send its test results within thirty (30) working days from each receipt of the sample DVD Product. The Class B Verification Laboratory, if so requested, shall make reasonable efforts to comply with the Licensee's request.
- (ii) after the receipt of such sample Product,
  - (a) the Class B Verification Laboratory that received Licensee's sample Product shall test such Product in accordance with the applicable Test Specification and inform Licensee and Licensor concurrently of the results of the Verification (the Class B Verification Laboratory may designate a reasonable number of samples to be submitted and may keep a reasonable number of samples of the Product submitted by Licensee);
  - (b) if, in the sole and reasonable judgment of the Class B Verification Laboratory, the result of the tests is that the Licensee's Product does not comply with the applicable DVD Format Book(s), the Licensor shall have the right to request that Licensee modify the non-compliant Product so as to comply, and that Licensee submit sample(s) of such modified Product to such Class B Verification Laboratory within thirty (30) days or a longer period specified by such Class B Verification Laboratory (the number of samples to be submitted shall be designated by such Class B Verification Laboratory). The Class B Verification Laboratory shall re-test such modified Product in accordance with the applicable Test Specification. Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, without limitation, the names of authoring studios that created the master discs for the non-compliant Products (for Products in DVD Product Category I), and any third-party suppliers of components for the non-compliant Product (for Products in DVD Product Category II(1)); and
  - (c) if, in the sole and reasonable judgment of the Class B Verification Laboratory, the modified Product still fails to comply with the applicable DVD Format Book(s), Licensee shall either resubmit a further modified Product to the same Class B Verification Laboratory, or determine not to ship such Next Production Model with the Logos.

4. Licensee acknowledges and agrees that the Class B Verification Laboratory shall keep records of all the Verification tests it conducts for at least three (3)

years and, upon request of the Licensor, shall provide the records to the Licensor in a reasonably timely manner.

## **Part II.**

1. During the term of this Agreement and no later than sixty (60) days from the initial shipment of the Next Production Model of a DVD Product, Licensee (i) shall test the Next Production Model at its own quality assurance facility using the verification tools in accordance with procedures set forth in the Test Specification, or (ii) if Licensee does not have its own quality assurance facility, shall submit samples of the Next Production Model to a Class B Verification Laboratory for Verification.

2. If Licensee tests its Next Production Model at its own quality assurance facility, the following procedures shall apply:

- (i) if, in its reasonable judgment, the result of the tests at its own quality assurance facility is that the Next Production Model does not comply with the applicable DVD Format Book(s), Licensee shall modify the non-compliant Product so as to comply and re-test such modified Product;
- (ii) if, in its reasonable judgment, the modified Product still fails to comply with the applicable DVD Format Book(s) following the re-test, Licensee shall either further modify the non-compliant modified Products or determine not to ship such Next Production Model with the Logos;
- (iii) Licensee shall keep records of the tests conducted at its own quality assurance facility to at least two (2) years after the discontinuation of the relevant model.
- (iv) Upon request of Licensor, Licensee shall provide to Licensor the records described in paragraph 2(iii) in a reasonably timely manner.

3. If Licensee submits samples of a Next Production Model to a Class B Verification Laboratory, the following procedures shall apply:

- (i) before samples of Licensee's Product are submitted to a Class B Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by the Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto;
- (ii) after the receipt of such sample Product,
  - (a) the Class B Verification Laboratory that received Licensee's sample Product shall test such Product in accordance with the applicable Test Specification and inform such Licensee of the results of the Verification (the Class B Verification Laboratory may designate a reasonable number of

samples to be submitted and may keep a reasonable number of samples of the Product submitted by such Licensee);

(b) if, in the sole and reasonable judgment of such Class B Verification Laboratory, the result of the tests is that the Licensee's Product does not comply with the applicable DVD Format Book(s), the Class B Verification Laboratory shall have the right to request that Licensee modify the non-compliant Product so as to comply, and submit sample(s) of such modified Product to such Class B Verification Laboratory within thirty (30) days or a longer period specified by such Class B Verification Laboratory (the number of samples to be submitted shall be designated by such Class B Verification Laboratory). The Class B Verification Laboratory shall re-test such modified Product in accordance with the applicable Test Specification. Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, without limitation, the names of authoring studios that created the master discs for the non-compliant DVD discs and any third-party suppliers of components for other non-compliant Products; and

(c) if, in the sole and reasonable judgment of such Class B Verification Laboratory, the sample Product still fails to comply with the applicable DVD Format Book(s) following the re-tests described in paragraph 3(ii)(b), Licensee shall either submit a further modified Product to the same Class B Verification Laboratory or determine not to ship such Next Production Model with the Logos.

4. Licensee acknowledges and agrees that the Class B Verification Laboratory shall keep records of all the Verification tests it conducts for at least three (3) years and, upon request of the Licensor, shall provide the records to the Licensor in a reasonably timely manner.

## **ANNEX B-5**

Licensor shall from time to time and at its sole discretion have the right to examine and inspect any Product marketed by Licensee or any of its Affiliates in order to identify and to address any issues that may appear regarding the Products' compliance with the DVD Format Book(s) applicable to such Product.

### **Part I.**

If Licensor determines, in its sole reasonable judgment (in cooperation with Class A Verification Laboratories where considered necessary) that Licensee or any of its Affiliates is manufacturing, selling, marketing, promoting or distributing a Product that is suspected not to be in full compliance with the applicable DVD Format Book(s), then Licensee shall follow the procedures set forth in this Part I.

1. At the request of Licensor, Licensee shall submit to Licensor sample(s) of the Products identified by Licensor within thirty (30) days from the date of such request.

2. After receipt of the sample(s), Licensor shall request a Class A Verification Laboratory of Licensor's choosing to test the sample according to the applicable Test Specification. The Licensor shall be responsible for the fees associated with these tests. Upon completion of the tests, the Verification Laboratory shall immediately inform Licensor of the test results.

3. If, as a result of the tests, the sample(s) are found not to comply with the applicable DVD Format Book(s), Licensor shall have the right to request that Licensee submit additional samples for re-testing by a Class A Verification Laboratory selected by Licensee. The Licensee shall be responsible for the fees associated with this re-testing. If, as a result of the re-tests, the sample(s) are found not to comply with the applicable DVD Format Book(s), Licensee shall modify the Product so as to comply, and submit sample(s) of such modified Product together with the results of the self-test to the same Class A Verification Laboratory within thirty (30) days from the date of such request (or such longer period as may be specified by the Class A Verification Laboratory). The Class A Verification Laboratory shall specify a reasonable number of samples to be submitted. Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s).

4. If (a) following completion of the procedures specified in Paragraph 3, in the sole and reasonable judgment of the Class A Verification Laboratory chosen by Licensee, the sample(s) still fail to comply with the applicable DVD Format Book(s), or if (b) Licensee fails to submit sample(s) of the modified Product within the period set forth in the above, then

(1) Licensor may request that Licensee further modify the Product and submit sample(s) of such modified Product to the Class A Verification Laboratory chosen by Licensee. The Class A Verification Laboratory shall follow the same procedures set forth in Paragraph 3, which shall be repeated, at the expense of

Licensee, until the results demonstrate that the Product is compliant with the applicable DVD Format Book(s), or

- (2) Licensor, in its sole discretion, shall have the right to declare and inform Licensee of a Final Failure of such Product to conform to the applicable DVD Format Book(s).

## **Part II.**

When deemed necessary by Licensor, Licensor may inspect Products by obtaining samples of the Product on the market in a manner of Licensor's choosing. At Licensor's discretion, the procedures set forth in this Part II shall be followed.

1. At the request of Licensor, a Class A Verification Laboratory shall test the Product in accordance with the applicable Test Specification. Such tests shall be at the expense of Licensor. The Class A Verification Laboratory shall immediately inform Licensor of the test results.

2. If, as a result of the tests, the Product is found not to comply with the applicable DVD Format Book(s), Licensor may request Licensee to modify the non-compliant Product. In addition, Licensor may request Licensee to submit to Licensor sample(s) of such modified Product together with the results of a self-test within 30 days (or such longer period as may be specified by Licensor). Licensor shall specify a reasonable number of samples to be submitted. Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s).

3. After receipt of such modified Products and test results, Licensor shall request the same Class A Verification Laboratory to re-test the Products at the expense of the Licensor. The Class A Verification Laboratory shall immediately inform Licensor of the results of the re-tests.

4. If, as a result of the re-tests, the Product still fails to comply with the applicable DVD Format Book(s), Licensor shall have the right to request that Licensee modify the Product so as to comply with the applicable DVD Format Book(s), and to re-submit sample(s) of such modified Product together with the results of the self-test to a Class A Verification Laboratory selected by Licensee within thirty (30) days from the date of such request (or a longer period specified by the Class A Verification Laboratory). The Licensee shall be responsible for the fees associated with this testing. The Class A Verification Laboratory shall conduct such additional tests as may be required to determine whether the Product complies with the applicable DVD Format Book(s). The Class A Verification Laboratory shall specify a reasonable number of samples to be submitted. At the request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s).

5. If (a) as a result of the additional tests, in the sole and reasonable judgment of the Class A Verification Laboratory, the Product still fails to comply with the applicable DVD Format Book(s), or (b) Licensee fails to submit sample(s) of the modified Product within the period set forth in the above, then

- (1) Licenser may request that Licensee further modify the Product and submit sample(s) of such modified Product to the Class A Verification Laboratory following the same procedures above and at the expense of Licensee until the Product is verified as compliant with the applicable DVD Format Book(s), or
- (2) Licenser, in its sole discretion, shall have the right to declare and inform Licensee of a Final Failure of such Product.

## **Exhibit D**





## 1. **Definitions**

For purposes hereof, the following capitalized terms shall have the respective meanings provided below and additional capitalized terms shall have the respective meanings provided in Schedule A:

1.1 **“Agreement”** shall mean this DVD Format and Logo License, including all schedules attached hereto, and any and all amendments to the Agreement and/or such schedules.

1.2 **“Affiliate”** shall mean, with respect to either party hereto, any corporation, firm, partnership, proprietorship, or other form of business entity, in whatever country organized or resident, directly or indirectly controlled by such party, and that is listed in Schedule C. For the purpose of this definition, “control” shall mean more than 50% ownership, directly or indirectly, or the equivalent power to direct or cause the direction of the management or policies of such entity, directly or indirectly. Licensee may add any Affiliate(s) of Licensee to Schedule C at any time with a prior written notice to Licensor.

1.3 **“DVD Format Books”** shall mean the format books set forth in Schedule A-1 containing DVD specifications pertaining to one or more DVD Products, including any supplements, revisions, or updates made thereto from time to time; provided, however, that each new version of a DVD Format Book shall be considered a separate DVD Format Book, where “new version” shall mean new specifications for a DVD format as represented by the change of the first digit of the version number.

1.4 **“DVD Graphic Standards Manual”** shall mean the DVD Graphic Standards Manual which sets forth the standards for using the Logos, as it may be revised from time to time by Licensor.

1.5 **“DVD Product”** shall mean each DVD Product set forth on Schedule A-2.

1.6 **“DVD Product Category”** shall mean the categories of DVD Products set forth on Schedule A-3.

1.7 **“Logos”** shall mean the DVD logos as set forth in the DVD Graphic Standards Manual, which may be revised from time to time by the Logo Owner.

1.8 **“Logo Owner”** shall mean the owner of the trademark rights, copyrights and other rights in and to the Logos and shall include the current owner of such rights, Time Warner Entertainment Company, L.P. (“TWE”), and any successor of such rights pursuant to an assignment and/or transfer of such rights.

1.9 **“Schedule A”** shall mean Schedule A attached to this Agreement, as such schedule may be amended from time to time by Licensor.

1.10 **“Schedule B”** shall mean Schedule B attached to this Agreement, as such schedule may be amended from time to time by Licensor.

1.11 **“Schedule C”** shall mean Schedule C attached to this Agreement, as such schedule may be amended from time to time by Licensor.

1.12 **“Schedule D”** shall mean Schedule D attached to this Agreement, as such schedule may be amended from time to time by Licensor.

## **2. DVD Format License**

2.1 Upon the terms and conditions and with the limitations and exceptions hereafter set forth, Licensor hereby grants to Licensee and its Affiliates specified in Schedule C a non-exclusive license, on a worldwide basis during the term hereof, to use the DVD Format Books identified on Schedule A-1 as being licensed to Licensee, including the technical information, know-how and trade secrets contained therein, solely in connection with Licensee's development, manufacture (including having manufactured on a subcontract basis), sale, use or other disposition of the DVD Products included in the DVD Product Category(ies) identified on Schedule A-3 as being licensed to Licensee. Within thirty (30) days after the Effective Date, Licensee shall select such DVD Format Book(s) and DVD Product Category(ies) that are licensed to Licensee and its Affiliates under this Agreement by checking the applicable column(s) in Schedule A-1. During the term of this Agreement, Licensee may add such DVD Format Book(s) and DVD Product Category(ies) that Licensee has not selected before and may be licensed to Licensee and its Affiliates under this Agreement by (a) providing Licensor with a revised Schedule A-1, with Licensee's selection of additional DVD Format Book(s) and/or DVD Product Category(ies), and (b) making additional payment(s) in accordance with Article 5.1. In the event that Licensee has the DVD Products manufactured by a third party on a subcontract basis pursuant to this Section, Licensee shall be responsible for such third party's compliance with the terms and conditions of this Agreement, including compliance with the DVD Format Books and confidentiality obligations.

## **2.2**

Reserved for future addition of SID Code related provisions

2.3 Licensors shall have made available to Licensee under the NDA for use by Licensee and its Affiliates upon payment by Licensee of US\$5,000, a copy of the then current version of a DVD Format Book, which may not be copied by anyone in whole or in part without prior written consent of Licensors. Licensee may receive additional copies of any DVD Format Book that has been made available to Licensee for an additional fee of \$500 or other amount to be specified by Licensors per copy under the NDA.

2.4 Licensee acknowledges that the right to use the DVD Format Books licensed hereunder does not extend to its use in connection with any product that does not comply with such DVD Format Books or that is incompatible with products that comply with such DVD Format Books.

2.5 IT IS EXPRESSLY UNDERSTOOD THAT THE RIGHTS AND LICENSES GRANTED PURSUANT TO THIS AGREEMENT DO NOT EXTEND TO ANY PRESENT OR FUTURE PATENT RIGHT WHATSOEVER.]

### **3. DVD Logo License**

3.1 Upon the terms and conditions and with the limitations and exceptions hereafter set forth, Licensors hereby grants to Licensee and its Affiliates a non-exclusive license to use the Logos solely on DVD Products that are within the Category I Products or Category II Products, and packing materials, and in related advertising and other sales and marketing literature, including catalogues or brochures, and user manuals for such DVD Products, in the form and manner specified in the DVD Graphic Standards Manual on a worldwide basis during the term hereof. If Licensee manufactures and/or assembles computers that incorporate DVD Drives as defined in Schedule A-2 and/or DVD Decoders as defined in Schedule A-2 bearing the Logos, Licensee shall not be required to enter into a license to use the Logos; provided, that (i) Licensee's sole use of the Logos is the inclusion in such computers of DVD Drives and /or DVD Decoders bearing the Logos; (ii) the manufacturer of such DVD Drives and/or DVD Decoders has duly obtained a license to use the Logos on such DVD Drives and/or DVD Decoders; (iii) such DVD Drives and/or DVD Decoders have been independently verified by one of the laboratories listed on Schedule B-1 pursuant to the procedures set forth in Article 4; and (iv) such DVD Drives and/or DVD Decoders have not been materially altered; provided, further, that if Licensee manufactures and/or assembles computers and affixes the Logos on the computers as a whole system product, then Licensee shall be required to obtain a license for the Logos pursuant to this Article 3.

3.2 Licensee and its Affiliates are strictly prohibited from using the Logos in any other form than that which is specifically set forth in the DVD Graphic Standards Manual.

3.3 Licensee and its Affiliates shall ensure that there is imprinted legibly and irremovably on all materials and things on or with which the Logos appear in any form, the legends and notices required by the DVD Graphic Standards Manual.

3.4 Licensee and its Affiliates shall not co-join, superimpose or combine any other logo, trademark, trade name or other designation with the Logos. Licensee shall not use the Logos in a manner which impairs the right in the Logos.

3.5 Licensee and its Affiliates shall ensure that distributors' and retailers' usage of the Logos in advertising, promotional materials, catalogues or brochures offering Licensee's and its Affiliates' DVD Products for sale shall comply with the DVD Graphic Standards Manual and Articles 3.2, 3.3, 3.4 and 4.1 of this Agreement.

3.6 Notwithstanding the foregoing, if Licensee develops, manufactures, sells, uses or otherwise disposes of DVD Products that are within the Category III Products, the license of the Logos and the rights and obligations of the Licensee regarding such license set forth in this Article 3 shall not apply with respect to such DVD Products.

#### **4. Verification**

4.1 Licensee and its Affiliates (if Licensee has been granted the License to use the Logos) agree that all products bearing or marketed under the Logos shall be of high quality and shall conform to the applicable DVD Format Book and such additional standards, specifications, instructions and other quality controls regarding use of the Logos as may be communicated in writing by Licensor from time to time, and that all uses of the Logos shall fully comply with the DVD Graphic Standards Manual. Licensee and its Affiliates further agree that in case the Licensee or any of its Affiliates sells any DVD Products that are within the Category I Products or Category II Products, on an OEM basis to third parties, the Licensee or any such Affiliate shall cause, and bear responsibility for causing, such third parties to comply with the requirements that all products bearing or marketed under the Logos and sold by the third parties shall be of high quality and conform to the applicable DVD Format Book, and that all uses of the Logos by the third parties shall comply with the DVD Graphic Standards Manual.

4.2 Licensee and its Affiliates hereby agree that it will not manufacture, sell, market, promote or distribute a DVD Product within the Category I Products or Category II Products and bearing or marketed under the Logos other than in full compliance with the

applicable DVD Format Book and the procedures set forth below and in Schedules B-3, B-4 and B-5.

4.3 If Final Failure (defined in Schedule B-3) is declared for a DVD Product, Licensor shall have the right to terminate the rights relating to the Logos granted to such Licensee under this Agreement with respect to the DVD Product that has been declared the Final Failure, upon thirty (30) days' prior written notice to Licensee.

4.4 If at any time during the term hereof, Licensor determines, in its sole reasonable judgment and in cooperation with a Class A Verification Laboratory listed in Schedule B-1, that Licensee or any of its Affiliates may be manufacturing, selling, marketing, promoting or distributing a DVD Product within the Category I Products or Category II Products and bearing or marketed under Logos, which is not in full compliance with the applicable DVD Format Book, at the request of Licensor, such Licensee shall follow procedures set forth in Schedule B-5.

4.5 If Final Failure II (defined in Schedule B-5) is declared for a DVD Product, Licensor shall have the right to terminate the rights relating to the Logos granted to such Licensee under this Agreement with respect to the DVD Product that has been declared the Final Failure II, upon thirty (30) days' prior written notice to Licensee.

4.6 The right of termination set forth in Articles 4.3 and 4.5 above shall not be exclusive of any other remedies or means of redress to which the Licensor may be lawfully entitled, and all such remedies shall be cumulative. Upon termination pursuant to Articles 4.3 or 4.5, all rights of Licensee granted hereunder, relating to the Logos with respect to the DVD Product that failed to meet the verification standards, shall cease and the termination procedures set forth in Section 9.2 below shall apply to such termination.

4.7 For purposes of this Agreement, samples to be submitted pursuant to this Article 4 shall be selected in a manner acceptable to the verification laboratory to which they are submitted.

4.8 NO NOTICE OR STATEMENT OF ANY KIND SENT BY ANY LABORATORY LISTED ON SCHEDULE B-1 OR BY LICENSOR, SHALL BE CONSTRUED AS A REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE DVD PRODUCT IDENTIFIED IN SUCH NOTICE OR STATEMENT, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR INTERCHANGEABILITY WITH OTHER DVD PRODUCTS.

## 5. Fees

5.1 In consideration of the license granted hereunder, upon the terms and conditions and with the limitations set forth herein, Licensee agrees to pay to Licensor, within thirty (30) days after the Effective Date, the license fee set forth on Schedule A for each DVD Format Book licensed to Licensee in each DVD Product Category selected by Licensee, as identified on Schedule A-1; provided, however, that Licensee may be entitled to a discount in the amount of \$5,000 which Licensee had paid to Licensor under the NDA, from the total license fee payable hereunder. The license fee shall not be returnable or refundable in any event. In the event that Licensee adds DVD Format Book(s) and DVD Product Category(ies) in accordance with the provision of Article 2.1, Licensee agrees to pay to Licensor, concurrently with such addition, the license fee set forth on Schedule A-1 for each DVD Format Book newly licensed to Licensee in each DVD Product Category newly selected by Licensee, as identified on Schedule A-1.

5.2 Licensee agrees to pay to the verification laboratory to which Licensee submits a DVD Product for verification, each time a sample DVD Product and a test result are submitted to a verification laboratory pursuant to Schedules B-3 or B-4 (regardless of the number of times a DVD Product is submitted to a verification laboratory) the fees as charged by the verification laboratory on a per-submission basis, promptly upon the receipt of an invoice from the verification laboratory, provided that such fee shall not exceed the amount as specified in Schedule B-2. The transportation fees for such submission and return of Licensee's DVD Product sample or test results shall be borne by Licensee.

5.3 All payments made by Licensee to Licensor or verification laboratories under this Agreement shall be made without any deduction for any taxes, except any income taxes that may be owed by Licensor that are required to be withheld under any law of any jurisdiction outside Japan on any payments by Licensee to Licensor under this Agreement, which taxes shall be withheld by Licensee to the extent required by law and actually paid to the appropriate taxing authority. Licensee shall provide written notice to Licensor before payment is made in reasonable time to allow Licensor to object. Licensee shall within one month following payment of any such taxes provide proof to Licensor of payment of such taxes (including, but not limited to, official receipts in the name of Licensor and photocopies of all forms filed by Licensee with the appropriate taxing authorities) together with certified English translations of such documentation (if not in the English language). Licensee shall indemnify Licensor for any penalties and interest that may be payable as a result of Licensee's failure to timely pay all taxes or other assessments of Licensor that Licensee is obligated to withhold. All other taxes imposed on payments by Licensee to Licensor or verification laboratories, including but not limited to value added taxes, consumption taxes, and sales taxes, which may be imposed now or in the future or under the laws of any applicable jurisdiction shall be Licensee's sole responsibility and Licensee

shall promptly transmit such taxes to the appropriate authorities as and when they become due. Such taxes shall not affect Licensee's obligation to make payments to Licensor or verification laboratories as required under this Agreement.

## 6. Ownership of the DVD Format Books and Logos; Reservation of Rights

6.1 Licensee acknowledges that this Agreement does not transfer or convey to Licensee ownership of or any rights in any of the DVD Format Books or the Logos, except as expressly set forth herein. Licensee's use of the Logos (if Licensee has been granted the license to use the Logos) shall inure solely to the benefit of the Logo Owner, as owner of all rights in and to the Logos. Upon termination of this Agreement, no monetary amounts shall be assigned as attributable to any goodwill associated with such Licensee's use of the DVD Format Books or the Logos.

6.2 Licensor hereby reserves all rights not herein expressly granted to Licensee. Such reserved rights are the sole and exclusive property of the Licensor and the Format Owners.

## 7. Confidentiality

7.1 Licensee agrees that Licensee and its Affiliates shall not disclose to any third party information contained in the DVD Format Books licensed hereunder and any other information provided by Licensor as confidential information pursuant to the terms and conditions of the NDA. Licensee further agrees that Licensee and its Affiliates shall use information contained in the DVD Format Books licensed hereunder and any other information provided by Licensor as confidential information pursuant to the terms and conditions of the NDA only for the purpose of development, manufacture (including having manufactured), sale, use and other disposition of the DVD Products included in the DVD Product Category(ies) identified on Schedule A-3 and selected by Licensee.

## 8. Warranty and Disclaimer

8.1 LICENSOR, OTHER FORMAT OWNERS AND LOGO OWNER MAKE NO REPRESENTATION OR WARRANTY AS TO THE VALUE OR UTILITY OF THE INFORMATION TO BE SUPPLIED TO LICENSEE PURSUANT TO THIS AGREEMENT, SUCH AS BUT NOT LIMITED TO THE DVD FORMAT BOOKS, THE DVD GRAPHICS STANDARDS MANUAL, AND TECHNICAL INFORMATION AND SUPPORT, IF ANY, OR THE ABILITY OF LICENSEE TO MAKE USE THEREOF TO SECURE INTERCHANGEABILITY WITH OTHER DVD PRODUCTS. LICENSOR,



OTHER FORMAT OWNERS AND LOGO OWNER MAKE NO WARRANTY WHATSOEVER THAT THE USE OF INFORMATION SUPPLIED BY LICENSOR DOES NOT INFRINGE OR WILL NOT CAUSE INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT OWNED OR CONTROLLED BY ANY PERSON. LICENSEE UNDERSTANDS AND AGREES THAT THE LICENSOR, OTHER FORMAT OWNERS AND LOGO OWNER MAKE NO WARRANTY WHATSOEVER THAT ANY MANUFACTURE, USE, SALE, LEASE OR OTHER DISPOSAL OF LICENSED PRODUCTS WILL BE FREE FROM INFRINGEMENT OF ANY THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS. IT IS EXPLICITLY UNDERSTOOD BY LICENSEE THAT LICENSOR AND OTHER FORMAT OWNERS CLAIM TO HAVE ISSUED OR PROSPECTIVE PATENTS PERTINENT TO THE LICENSED PRODUCTS, WHICH PATENTS ARE NOT LICENSED HEREUNDER. LICENSOR, OTHER FORMAT OWNERS AND LOGO OWNER MAKE NO REPRESENTATION AND WARRANTY, EXPRESSED OR IMPLIED, STATUTORY OR OTHERWISE, AND EXPRESSLY DISCLAIM IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY EQUIVALENTS UNDER THE LAWS OF ANY JURISDICTION THAT MIGHT ARISE FROM ANY ACTIVITIES OR INFORMATION DISCLOSURES RELATING TO THIS AGREEMENT.

## 9. Term and Termination

9.1 This Agreement shall become effective as of the Effective Date and shall continue in force until December 31, 2004. The parties hereby agree that prior to such expiration (other than earlier termination of this Agreement pursuant to the provisions herein), the parties shall negotiate in good faith to renew the license granted hereunder as such renewal may be subject to further terms and conditions, including payment of then determined license fees.

9.2 Immediately upon expiration or earlier termination of this Agreement, Licensee shall return to Licensor or destroy at Licensor's instruction, all DVD Format Books licensed to Licensee hereunder, the DVD Graphics Standards Manual (if Licensee has been granted the License to use the Logos), and all copies of the foregoing documents, upon the last date that this Agreement remains in force and effect. Licensee acknowledges that, on the last day of the term of this Agreement or its earlier termination, all rights of Licensee granted hereunder shall cease.

9.3 Either party may terminate this Agreement at any time on thirty (30) days' notice to the other party in the event that the latter shall materially breach or fail to perform any material obligation under this Agreement and such default is not remedied within thirty (30) days after notice is given specifying the nature of the default. Such right of

termination shall not be exclusive of any other remedies or means of redress to which the non-defaulting party may be lawfully entitled, and all such remedies shall be cumulative.

Licensee hereby agrees (if Licensee has been granted the license to use the Logos) that the use of the Logos in any way not in compliance with the DVD Graphic Standards Manual, as such manual may be modified from time to time, or on any product or in any advertisement or sales literature concerning any product, which product does not comply with the applicable DVD Format Book, shall constitute a material breach of this Agreement and infringement of the Logos.

9.4 In the event that any Event of Bankruptcy occurs, then Licensor may give notice to Licensee terminating this Agreement and this Agreement shall be terminated in accordance with the notice. An "Event of Bankruptcy" occurs if:

- (i) a decree or order by a court having jurisdiction in the premises has been entered adjudging Licensee a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition, winding up or similar relief for Licensee under any applicable statute, or a decree or order of a court having jurisdiction in the premises for the appointment of a liquidator, receiver, administrator, trustee or assignee in bankruptcy or insolvency or other similar person or official of Licensee or of a substantial part of the property, or for the winding up or liquidation of the affairs of Licensee has been entered and remains unstayed; or if any substantial part of the property of Licensee has been sequestered or attached and has not been returned to the possession of Licensee or released from such attachment within 14 days thereafter; whether any such act or event occurs in Japan, or any foreign country, subdivision thereof, or any other jurisdiction; or
- (ii) Licensee institutes proceedings to be adjudicated a voluntary bankrupt or insolvent, consents to the filing of a bankruptcy or insolvency proceeding against it, files a petition or answer or consent seeking reorganization, readjustment, arrangement, composition, winding up, administration, receivership, or similar relief under any applicable statute or consents to the filing of any such petition or the entry of any such order, makes an assignment for the benefit of creditors, is determined to be unable to pay its debts or admits in writing its inability to pay its debts generally as they become due, or voluntarily suspends transactions of a substantial portion of its usual business; whether any such act or event occurs in Japan, or any foreign country or subdivision thereof, or any other jurisdiction.

9.5 The provisions set forth in Articles 6, 7, 8 and 9 shall survive the termination or expiration of this Agreement.

## 10. Miscellaneous

10.1 Licensee agrees that it will not bring any actions for unauthorized use or infringement of any of the DVD Format Books or the Logos. Licensee will notify Licensor immediately should it learn of any such potential unauthorized use or infringement. Licensor shall have the option, at its own expense, to assume the defense of any suit or action brought against Licensee that challenges or concerns the validity of any right granted by Licensor hereunder.

10.2 The performance by Licensor of its obligations hereunder shall be conditioned upon and subject to the receipt of all necessary export approvals required by and all restrictions or conditions imposed by any relevant government.

10.3 Licensor represents and warrants that it has the rights to enter into this Agreement and to grant a license to Licensee pursuant to the terms hereof on behalf of the Format Owners and Logo Owner.

10.4 This Agreement and the rights granted hereunder shall be personal to Licensee and shall not be assigned, pledged, divided or otherwise encumbered in any way. Licensee shall not have the right to sublicense any rights granted hereunder. Licensor shall have the right to assign this Agreement, at any time during the term thereof, to any other party which succeeds Licensor in its function as the licensor of the DVD Format Books and the Logos, upon prior written notice to Licensee.

10.5 Notices. Wherever provision is made in this Agreement for the giving of any notice, such notice shall be in writing and shall be deemed to have been duly given if mailed by airmail, postage prepaid, addressed to the party entitled to receive the same or delivered personally to such party, or sent by facsimile transmission or sent by courier,

if to Licensor, to:

DVD Business Development & Strategy Division  
Digital Media Equipment & Services Company  
Toshiba Corporation  
1-1, Shibaura 1-Chome  
Minato-ku, Tokyo 105-8001 Japan  
Attention: Hirohide Tagawa  
Fax No.: +81-3-5444-9430

and if to the Licensee, to:

Senior Legal Counsel, System Standards & Licensing – Legal Department  
Koninklijke Philips Electronics N. V.

Attention: Hugo Sakkers  
Fax No.: +31 40 27 34131

or to such other address, in any such case, as any party hereto shall have last designated by notice to the other party. Notice shall be deemed to have been given on the day that it is so delivered personally or sent by facsimile transmission and the appropriate answer back or confirmation of successful transmission is received or, if sent by courier, shall be deemed to have been given two business days after delivery by the courier company, or if mailed, ten business days following the date on which such notice was so mailed.

10.6 THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF NEW YORK, AS IF THIS AGREEMENT WERE WHOLLY EXECUTED AND WHOLLY PERFORMED WITHIN SUCH STATE, AND WITHOUT REFERENCE TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

10.7 ALL DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH THE INTERPRETATION OR EXECUTION OF THIS AGREEMENT, LICENSOR'S LICENSING OF THE LOGOS OR THE DVD FORMAT BOOKS, OR LICENSEE'S USE OF THE DVD FORMAT BOOKS AND THE LOGOS, SHALL BE FINALLY SETTLED BY THE FEDERAL OR STATE COURTS LOCATED IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK; AND EACH PARTY TO THIS AGREEMENT HEREBY: (i) IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE RESOLUTION OF SUCH DISPUTES; (ii) IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF SAID COURTS IN ANY SUCH DISPUTE BY PERSONAL DELIVERY OR MAILING OF PROCESS BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, AT THE RESPECTIVE ADDRESS SET FORTH IN SECTION 10.5 ABOVE; (iii) IRREVOCABLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN SUCH COURTS OR TO THE CONVENIENCE OR INCONVENIENCE OF CONDUCTING OR PURSUING ANY ACTION OR PROCEEDING IN ANY SUCH COURT; AND (iv) IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY REGARDING THE RESOLUTION OF ANY DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

10.8 This Agreement shall inure to the benefit of the parties hereto and each of their respective Affiliates, provided that (i) such Affiliates shall comply with the terms of this Agreement, (ii) nothing herein shall relieve any party of any of its obligations under the

terms of this Agreement, and (iii) a party shall be responsible for the acts and omissions of its Affiliates as if such acts and omissions had been the acts and omissions of such party.

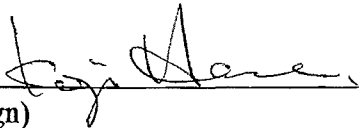
10.9 This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges all prior discussions between them and neither of the parties shall be bound by any conditions, definitions, warranties, waivers, releases or representations (either expressed or implied) with respect to the subject matter of this Agreement, other than expressly set forth herein (including the exhibits hereto), or as duly set forth on or subsequent to the date hereof in writing signed by a duly authorized representative of the party to be bound thereby.

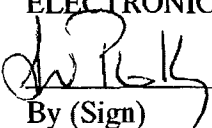
10.10 This Agreement may be executed in counterparts (including facsimile transmission) each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives as of the Effective Date.

TOSHIBA CORPORATION

KONINKLIJKE PHILIPS  
ELECTRONICS N. V.

  
By (Sign)

  
By (Sign)

Koji Hase

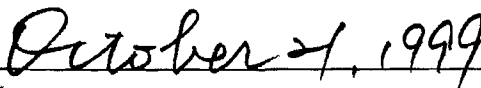
S. W. Plokker

Name (Print)  
Vice President  
DVD Business Development &  
Strategy Division

Name (Print)  
General Counsel  
Systems Standards & Licensing

Title

Title

  
Date

  
Date

# **SCHEDULE A-1**

## **DVD Products, Corresponding DVD Format Books and License Fees**

DVD Format Books*	DVD Product Category	License Fee	Check if Licensed to Licensee
DVD-Video Book (DVD Specifications for Read-Only Disc Part 3: Video (Version 1.1))	I	US\$10,000	<input checked="" type="checkbox"/>
	II	US\$10,000	<input checked="" type="checkbox"/>
	III	US\$10,000	<input checked="" type="checkbox"/>
DVD-ROM Book (DVD Specifications for Read-Only Disc Part 1: Physical (Version 1.01) Part 2: File System (Version 1.01))	I	US\$10,000	<input checked="" type="checkbox"/>
	II	US\$10,000	<input checked="" type="checkbox"/>
	III	US\$10,000	<input checked="" type="checkbox"/>
DVD-R Book (DVD Specifications for Recordable Disc Part 1: Physical (Version 1.0) Part 2: File System (Version 1.0))	I	US\$10,000	<input checked="" type="checkbox"/>
	II	US\$10,000	<input checked="" type="checkbox"/>
	III	US\$10,000	<input checked="" type="checkbox"/>
DVD-RAM Book (DVD Specifications for Rewritable Disc Part 1: Physical (Version 1.0) Part 2: File System (Version 1.0))	I	US\$10,000	<input checked="" type="checkbox"/>
	II	US\$10,000	<input checked="" type="checkbox"/>
	III	US\$10,000	<input checked="" type="checkbox"/>
DVD-Audio Book (DVD Specifications for Read-Only Disc Part 4: Audio (Version 1.0))	I	US\$10,000	<input checked="" type="checkbox"/>
	II	US\$10,000	<input checked="" type="checkbox"/>
	III	US\$10,000	<input checked="" type="checkbox"/>
Total Fees**			US\$10,000 847

\* A new version of a DVD Format Book as represented by the change of the first digit of the version number shall be deemed a separate DVD Format Book, subject to a separate license fee of \$10,000.

\*\* US\$5,000 may be discounted from the total fees.

## **SCHEDULE B-1**

### **VERIFICATION LABORATORIES**

#### **Class A Verification Laboratories**

##### **Tokyo (Hitachi) Laboratory**

Hitachi, Ltd.

DVD Format Verification Laboratory

Hitachi Atago Bldg., 15-12, Nishi Shinbashi 2-chome

Minato-ku, Tokyo 105-8430, Japan

Tel: +81-3-3506-1616

Fax: +81-3-3506-1603

##### **Tokyo (Pioneer) Laboratory**

Pioneer Electronic Corporation

AV & Recording Development Center

4-2610, Hanazono, Tokorozawa

Saitama 359-8522, Japan

TEL: +81-42-942-1300

FAX: +81-42-943-0395

##### **Tokyo (Sony) Laboratory**

Sony Corporation

Shinagawa Intercity, Tower C

2-15-3, Konan, Minato-ku

Tokyo 108-6201 Japan

Fax: +81.3.5769.5890

##### **Tokyo (Toshiba) Laboratory**

Toshiba Corporation

Yanagi-cho 69, Saiwai-ku

Kawasaki 210-8501, Japan

FAX: +81-3-5444-9430

##### **Osaka (Matsushita) Laboratory**

Matsushita Electric Industrial Co., Ltd.

DVD Verification Laboratory

2-15 Matsuba-cho, Kadoma City

Osaka 571-8503, Japan

TEL: +81-6-6905-4195

FAX: +81-6-6909-5027

## Europe (Philips) Laboratory

Royal Philips Electronics  
Philips System Standards & Licensing  
Licensing Support  
P.O. Box 80002  
5600 JB Eindhoven  
The Netherlands  
Fax: +31-40-2732113  
<http://www.licensing.philips.com>

## North America (WAMO) Laboratory

Warner Advance Media Operations  
1400 E. Lackwanna Avenue  
Olyphant, Pennsylvania 18448  
U. S. A.  
TEL: +1-570-383-3291  
FAX: +1-570-383-7487

## Asia (ITRI) Laboratory

Industrial Technology Research Institute  
DVD Format Verification Laboratory  
Bldg. 78, 195-8, Section 4, Chung Hsing Road,  
Chutung, Hsinchu 310, Taiwan, R.O.C.  
TEL: +886-3-5916786  
FAX: +886-3-5917531

## Class B Verification Laboratories



**SCHEDULE B-2**

**MAXIMUM VERIFICATION FEES**

- (1) \$5,000 for a DVD Disc.
- (2) \$10,000 for a DVD Player or any product that incorporates a DVD Player;
- (3) \$5,000 for a DVD Drive or any product that incorporates a DVD Drive; and
- (4) \$5,000 for a DVD Decoder

### **SCHEDULE B-3**

1. At any time after the Effective Date but no later than sixty (60) days after the initial commercial shipment of the First Production Model of Category I Product or Category II Product as defined in the applicable Test Specification attached hereto as Schedule B-6, Licensee or any of its Affiliates shall test First Production Model using the verification tool and following the instructions provided by a Class A Verification Laboratory listed on Schedule B-1, to be selected at the option of the Licensee, and submit the results of such test together with samples of such Model so tested to such Laboratory, and concurrently send a notice of such submission to Licensor; provided, however, that if the DVD Drive or DVD Decoder is integrated into another product and the Logo is placed anywhere on such integrated product other than on the DVD Drive or DVD Decoder itself, such integrated product shall be tested. Reasonable numbers of samples to be submitted shall be designated by such Class A Verification Laboratory.

2. Before a DVD Product is submitted to a Class A Verification Laboratory, Licensee and such Laboratory shall enter into a non-disclosure agreement the basic terms and conditions of which are set forth in Schedule D attached hereto covering any confidential information submitted by the Licensee.

3. After the receipt of the result of such test and such sample product,

- (i) the Class A Verification Laboratory that received a test result and samples of DVD Product shall inform such Licensee of the results of the verification and concurrently send a copy of such correspondence to Licensor, and the Class A Verification Laboratory may keep a reasonable number of samples for Category I Products and Category II Products submitted by such Licensee;
- (ii) if the result of the verification is that such sample DVD Product does not comply with the applicable DVD Format Book in the sole reasonable judgment of such Class A Verification Laboratory, Licensor shall have the right to request that such Licensee modify the non-compliant product so as to comply, and submit sample(s) of such modified product to such Verification Laboratory within thirty (30) days or a longer period specified by such Verification Laboratory (Number of samples to be submitted shall be designated by such Verification Laboratory). Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book, including, without limitation, the names of authoring studios which created the master discs for the non-compliant DVD Discs and third-party suppliers of components for the non-compliant DVD Products; and
- (iii) if, (a) as the result of the second verification, the sample product still fails to comply with the applicable DVD Format Book in the sole reasonable judgment of such Verification Laboratory, or (b) Licensee fails to submit a modified product within such period set forth in the above paragraph 3(i), Licensor, in its sole discretion, shall have the right either to request that such Licensee further modify the product

and submit such further modified product to the same Class A Verification Laboratory, or declare and inform Licensee of a final failure of such DVD Product to conform to the applicable DVD Format Book ("Final Failure").

#### **SCHEDULE B-4**

1. During the term of this Agreement and no later than sixty (60) days from the initial shipment of the Next Production Model of Category I Product or Category II Product as defined in the applicable Test Specifications (Schedule B-6), Licensee or its Affiliates shall (i) test such Second Production Model at its own quality assurance division using the verification tools and in accordance with procedures set forth in the Test Specifications or (ii) if Licensee or its Affiliates does not have its own quality assurance division, shall submit samples of such Second Production Model to a Class B Verification Laboratory listed on Schedule B-1 for verification.

2. If Licensee verifies its Second Production Model at its own quality assurance division, the following procedures shall apply.

- (i) If, in its reasonable judgment, the result of the verification at its own quality assurance division is that such Second Production Model does not comply with the applicable DVD Format Book, Licensee shall modify the non-compliant products so as to comply and verify such modified product.
- (ii) If, in its reasonable judgment, the modified product still fails to comply with the applicable DVD Format Book as the result of the second verification, Licensee shall either further modify the non-compliant modified products or determine not to ship such Second Production Model with the Logos.
- (iii) Licensee shall keep records of the verification conducted at its own quality assurance division at least for two (2) years after the discontinuation of production of the relevant model.

3. If Licensee submits samples of Second Production Model to a Class B Verification Laboratory, the following procedures shall apply.

- (i) Before a DVD Product is submitted to a Class B Verification Laboratory, Licensee and such Laboratory shall enter into a non-disclosure agreement the basic terms and conditions of which are set forth in Schedule D attached hereto covering any confidential information submitted by the Licensee.
- (ii) After the receipt of such sample product,
  - (a) the Class B Verification Laboratory that received a sample DVD Product shall inform such Licensee of the results of the verification, and the Class B Verification Laboratory may keep a reasonable number of samples for Category I Products and Category II Products submitted by such Licensee;

- (b) if, in the sole reasonable judgment of such Class B Verification Laboratory, the result of the verification is that such sample DVD Product does not comply with the applicable DVD Format Book, such Verification Laboratory shall have the right to request that such Licensee modify the non-compliant product so as to comply, and submit sample(s) of such modified product to such Verification Laboratory within thirty (30) days or a longer period specified by such Verification Laboratory (Number of samples to be submitted shall be designated by such Verification Laboratory). Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book, including, without limitation, the names of authoring studios which created the master discs for the non-compliant DVD Discs and third-party suppliers of components for the non-compliant DVD Products; and
- (c) if, in the sole reasonable judgment of such Verification Laboratory, the sample product still fails to comply with the applicable DVD Format Book as the result of the second verification, Licensee shall either submit the modified product to the same Class B Verification Laboratory or determine not to ship such Second Production Model with the Logos.

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## SCHEDULE B-5

1. Licensee shall immediately submit one sample of a DVD Product which has been determined to be not in full compliance with the applicable DVD Format Book pursuant to Article 4.4, to a Class A Verification Laboratory listed on Schedule B-1 to be selected at the option of the Licensee and concurrently send a notice of such submission to Licensor. After the receipt of such sample product:

- (i) The Class A Verification Laboratory that received a sample DVD Product shall inform such Licensee of the results of the verification and concurrently send a copy of such correspondence to Licensor;
- (ii) if the result of the verification is that in the sole reasonable judgment of such Class A Verification Laboratory such sample product does not comply with the applicable DVD Format Book, Licensor shall have the right to request that such Licensee modify the non-compliant product so as to comply, and submit one sample of such modified product to such Verification Laboratory within thirty (30) days or a longer period specified by such Verification Laboratory. Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book, including, without limitation, the names of authoring studios which created the master discs for the non-compliant DVD Discs and third-party suppliers of components for the non-compliant DVD Products; and
- (iii) if, (a) as the result of the second verification in the sole reasonable judgment of such Verification Laboratory the sample product still fails to comply with the applicable DVD Format Book, or (b) Licensee fails to submit a modified product within such period set forth in above paragraph, Licensor, in its sole discretion, shall have the right either to request that Licensee further modify the product and submit such further modified product to the same Verification Laboratory, or declare and inform Licensee of a final failure of such DVD Product to conform to the applicable DVD Format Book ("Final Failure II").
- (iv) Licensee shall pay to the Verification Laboratory to which Licensee submitted the DVD Products a verification fee as charged by the Verification Laboratory, promptly upon receipt of an invoice from the Verification Laboratory, provided that Licensee shall not be required to pay the verification fee to the Verification Laboratory for a DVD Product which has been verified as compliant with the applicable DVD Format Book pursuant to the procedures under this Schedule B-5.

## **SCHEDULE B-6**

**Table of Test Specification, Corresponding DVD Specifications and Product Category**

DVD Format Books	DVD Product Category	Applicable Test Specifications
DVD-Video Book	I	DVD-Video Disc Test Specification
	II	DVD Video Player Test Specification PC DVD Player & Component Test Specification DVD Audio Player Test Specification
	III	
DVD-ROM Book	I	DVD-Video/Audio Disc Test Specification
	II	DVD Video Player Test Specification PC DVD Player & Component Test Specification DVD Audio Player Test Specification
	III	
DVD-R Book	I	DVD-R Disc/ 3.9GB Test Specification
	II	DVD-R Drive/ 3.9GB Test Specification
	III	
DVD-RAM Book	I	DVD-RAM Disc/ 2.6GB Test Specification
	II	DVD-RAM Drive/2.6GB Test Specification DVD Video Recording Test Specification
	III	
DVD-Audio Book	I	DVD-Audio Disc Test Specification
	II	DVD Audio Player Test Specification
	III	

## **Exhibit E**



## DVD FORMAT/LOGO LICENSE AGREEMENT

This DVD FORMAT/LOGO LICENSE AGREEMENT is entered into between DVD Format/Logo Licensing Corporation ("Licensor"), a Japanese corporation having its principal place of business at 2-3-6 Shibadaimon, Minato-ku, Tokyo 105-0012 Japan, and Koninklijke Philips Electronics N.V. ("Licensee"), a corporation of the Netherlands having its principal place of business at Professor Holstlaan 6, 5656 AA Eindhoven, the Netherlands, and is effective as of the Effective Date.

WHEREAS, certain members of the DVD Forum as specified in each DVD Format Book ("Format Owners") have developed the DVD specifications pertaining to one or more DVD Products, and have obtained know-how, trade secret and technical information and copyrights embodied therein;

WHEREAS, the Format Owners have granted to Licensor the right to sublicense the DVD specifications;

WHEREAS, Licensor is the Logo Owner;

WHEREAS, Licensee desires to manufacture one or more DVD Products;

WHEREAS, Licensee has obtained one or more DVD Format Book(s) for such DVD specifications from Licensor for evaluation purposes only pursuant to a non-disclosure agreement that has been duly executed between Licensor and Licensee, which agreement is incorporated herein by reference (the "NDA");

WHEREAS, Licensor and Licensee wish to enter into this Agreement, which sets forth the terms and conditions under which Licensor grants to Licensee certain rights with respect to the DVD Format Books and the Logos.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

### **1. Definitions**

For purposes hereof, the following capitalized terms shall have the respective meanings provided below and additional capitalized terms shall have the respective meanings provided in Annex A-2:

1.1 "**Affiliate**" shall mean any corporation, firm, partnership, proprietorship, or other form of business entity, in whatever country organized or resident, that (i) desires to manufacture one or more DVD Products, (ii) is directly or indirectly controlled by Licensee, and (iii) is listed in Annex C. For the purpose of this definition, "control" of an entity shall mean more than 50% direct or indirect ownership of such entity. Entities subject to the direct or indirect control of a common entity are not thereby Affiliates of each other.

1.2 "**Agreement**" shall mean this DVD Format/Logo License Agreement, including all Annexes attached hereto, and any and all amendments to this DVD Format/Logo License Agreement and/or such Annexes.

1.3 **"Annex A"** shall mean Annex A attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.4 **"Annex B"** shall mean Annex B attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.5 **"Annex C"** shall mean Annex C attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.6 **"Annex D"** shall mean Annex D attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.7 **"Annex E"** shall mean Annex E attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.8 **"DVD Format Book"** shall mean a format book listed in Annex A-1 and containing DVD specifications pertaining to one or more DVD Products, including any supplements, revisions, or updates made thereto from time to time; provided, however, that each new version of a DVD Format Book shall be considered a separate DVD Format Book, where "new version" shall mean the new specifications for a DVD Product as represented by a change of the first digit of the version number of such DVD Format Book as designated by Licensor. Except as expressly provided herein, references to "DVD Format Books" shall include applicable Optional DVD Format Books.

1.9 **"DVD Logo Manual"** shall mean the DVD Logo Manual that sets forth the standards for using the Logos, as it may be revised from time to time by Licensor.

1.10 **"DVD Product"** shall mean a Product identified in Annex A-2 that conforms to the applicable DVD Format Book(s) specified in Annex A-1.

1.11 **"DVD Product Category"** shall mean one of the categories of DVD Products set forth in Annex A-3.

1.12 **"Effective Date"** shall mean the later of (i) January 1, 2005 or (ii) the date on which this Agreement has been signed by both Licensee and Licensor and the license fee required by Article 5.1 is received by Licensor. With respect to any additional DVD Format Book(s) or DVD Product Category(ies) added to Annex A-1 pursuant to Article 2.2 after the Effective Date of this Agreement, the Effective Date shall be the later of (x) the date on which Licensor receives a revised Annex A-1, or (y) the date on which Licensor receives the license fee for such DVD Format Book(s) or DVD Product Category(ies) as specified in Articles 2.2 and 5.1.

1.13 **"Logo Owner"** shall mean the Licensor or any successor owner of the trademark rights, copyrights and other rights in and to the Logos pursuant to an assignment and/or transfer of such rights by the Licensor.

1.14 **"Logos"** shall mean the DVD logos as set forth in the DVD Logo Manual, which may be revised from time to time by the Licensor. "Logo" shall mean any of the Logos.

1.15 **"OEM Product"** shall mean any DVD Product manufactured by Licensee or its Affiliate to be sold under the brand, label, direction, authority or auspices of another party (the "OEM Product Customer").

1.16 **"Optional DVD Format Book"** shall mean a supplement or addendum to a DVD Format Book that may be issued by Licensor from time to time, and that (i) is designated by Licensor as "Optional," and (ii) contains specifications for one or more DVD Products that may be used by Licensee in conjunction with applicable DVD Format Books.

1.17 **"Product"** shall mean any disc, device or other product that uses information disclosed in a DVD Format Book.

1.18 **"Test Specification"** shall mean the minimum common specification requirement that is designated for a Product in Annex A-4 as the "Applicable Test Specification" to be evaluated during Verification.

1.19 **"Third Party Manufacturer"** shall mean any manufacturer that, pursuant to a written contract or other written agreement with Licensee, manufactures one or more DVD Products on Licensee's behalf.

1.20 **"Verification"** shall have the meaning provided in Article 4.1.

## **2. DVD Format License**

2.1 Subject to the terms and conditions and with the limitations and exceptions hereafter set forth, Licensor, as of the Effective Date, grants to Licensee and its Affiliates a non-exclusive, non-transferable license, on a worldwide basis during the term hereof, without the right to sublicense, to use the DVD Format Book(s) identified on Annex A-1 as being licensed to Licensee, including the technical information, know-how and trade secrets contained therein, solely in connection with the development, manufacture (including manufacture by a Third Party Manufacturer), sale, use or other disposition of the DVD Products included in the DVD Product Category(ies) identified on Annex A-1 as being licensed to Licensee. The license granted hereunder shall not under any circumstance authorize Licensee or its Affiliates to use the DVD Format Book(s) or the information contained therein in connection with the manufacture, sale or distribution of any Product other than the DVD Product(s) and DVD Product Category(ies) that have been designated by Licensee in Annex A-1 and for which the appropriate license fee has been paid.

2.2 Licensee shall select such DVD Format Book(s) and DVD Product Category(ies) that are licensed to Licensee and its Affiliates under this Agreement by checking the applicable box[es] on Annex A-1. During the term of this Agreement, Licensee may add any DVD Format Book(s) and DVD Product Category(ies) that Licensee has not selected previously, and may acquire a license with respect to such DVD Format Book(s) and DVD Product Category(ies), by (i) providing Licensor with a request substantially in the form of Annex E indicating Licensee's selection of additional DVD Format Book(s) and/or DVD Product Category(ies), and (ii) paying an additional license fee in accordance with Article 5.1. The terms and conditions of this Agreement shall apply to each additional DVD Format Book and/or DVD Product Category as of the Effective Date for that DVD Format Book or DVD Product Category.

2.3 Subject to Licensor's approval, Licensee may add any Affiliate(s) of Licensee to Annex C of this Agreement, and the terms and conditions of this Agreement shall apply to such Affiliate(s) as of the date Licensor receives the amended Annex C. Licensee shall, at the request of Licensor, provide evidence satisfactory to Licensor that any entity identified in Annex C to this Agreement qualifies as an "Affiliate" under Article 1.1. If, during the term of this Agreement, an entity identified in Annex C no longer satisfies the conditions described in

Article 1.1, then (i) Licensee shall notify Licensor that such entity no longer qualifies as an Affiliate, and (ii) this Agreement shall no longer apply to such entity as of the date on which the entity no longer qualified as an Affiliate.

2.4 Licensor shall have made available to Licensee under the NDA for use by Licensee and its Affiliates a copy of the then current version of one or more DVD Format Books, which may not be copied in whole or in part by anyone, including the Licensee and its Affiliates. Licensee may receive additional copies of any DVD Format Book that has been made available to Licensee for an additional fee of \$500 per copy, or such other amount to be specified by Licensor. Such additional copies will be provided pursuant to, and subject to the terms and conditions of, the NDA.

2.5 In the event that Licensee arranges for the manufacture of one or more DVD Products by a Third Party Manufacturer, Licensee shall be responsible for ensuring compliance with the terms and conditions of this Agreement (including, but not limited to, Verification of such DVD Products). Licensee acknowledges that the NDA prohibits disclosure of the DVD Format Books to any third party, including any Third Party Manufacturer. If it becomes necessary for a Third Party Manufacturer to have access to the DVD Format Books that have been provided to Licensee (or to the information contained therein), then Licensor will provide the necessary information to the Third Party Manufacturer on reasonable terms and conditions (including, but not limited to, the condition of confidentiality) to be determined by Licensor, provided that Licensor reserves the right to decline (on a non-discriminatory basis) to provide the information to Third Party Manufacturers in specific cases for just cause.

2.6 In the event that Licensee manufactures an OEM Product, Licensee shall (i) be responsible for compliance with the terms and conditions of this Agreement (including, but not limited to, Verification of the OEM Product), and (ii) take reasonable steps to ensure that the OEM Product is not altered after manufacture in any manner that will affect any characteristic of the OEM Product that is addressed in the DVD Format Books. Only the Licensee or its Affiliate may apply a Logo (if licensed to Licensee hereunder) to a DVD Product.

2.7

Reserved for future addition of SID Code related provisions

2.8 Licensee agrees that all Products manufactured or sold by Licensee shall comply with the specifications set forth in the applicable DVD Format Books, and with the updates or revisions to such DVD Format Books that Licensor may publish from time to time. In the event Licensee or its Affiliate(s) chooses to use the specifications contained in an Optional DVD Format Book for any DVD Product, then such DVD Product also shall comply with those specifications.

2.9 The licenses granted pursuant to Articles 2.1 and 3.1 of this Agreement do not apply to any Product that does not meet the requirements of Article 2.8.

2.10 IT IS EXPRESSLY UNDERSTOOD THAT THE RIGHTS AND LICENSES GRANTED PURSUANT TO THIS AGREEMENT DO NOT EXTEND TO ANY PRESENT OR FUTURE PATENT RIGHT WHATSOEVER.

### **3. DVD Logo License**

3.1 Subject to the terms and conditions and with the limitations and exceptions set forth in this Agreement, Licensor, as of the Effective Date, grants to Licensee and its Affiliates a non-exclusive, non-transferable license, on a worldwide basis, without the right to sublicense, during the term hereof, to use the Logos solely (i) on DVD Products that are within DVD Product Category I or DVD Product Category II, (ii) on packing materials that accompany such DVD Products, (iii) in advertising and other sales and marketing literature relating to such DVD Products, including catalogues or brochures, and user manuals for such DVD Products, or (iv) in electronic images (such as websites) associated with such DVD Products.

3.2 The Logos shall be used only in the form and manner specified in the DVD Logo Manual. Licensee is strictly prohibited from using the Logos in any form other than that which is specifically set forth in the DVD Logo Manual.

3.3 Licensee shall ensure that there is imprinted legibly and irremovably on all materials and things on or with which the Logos appear in any form the legends and notices required by the DVD Logo Manual.

3.4 Licensee shall not co-join, superimpose or combine any other logo, trademark, trade name or other designation with the Logos. Licensee shall not use the Logos in a manner which impairs the right in the Logos.

3.5 Licensee shall ensure that distributors' and retailers' usage of the Logos in advertising, promotional materials, catalogues or brochures offering Licensee's DVD Products for sale shall comply with the DVD Logo Manual and Articles 3.2, 3.3, 3.4 and 4.2 of this Agreement.

3.6 Licensee may use the Logos on an OEM Product included in DVD Product Category I or DVD Product Category II, provided that (i) the only Logo appearing on the product is the Logo affixed by the Licensee or its Affiliate; (ii) the Logo complies with the requirements of the DVD Logo Manual; (iii) such DVD Product has successfully completed Verification prior to shipment by Licensee or its Affiliate; and (iv) Licensee or its Affiliate takes reasonable steps to ensure that the Logo is not altered after shipment.

3.7 Notwithstanding anything in this Agreement to the contrary, if Licensee develops, manufactures, sells, uses or otherwise disposes of DVD Products that are within DVD Product Category III, the license of the Logos granted in Article 3.1 of this Agreement shall not apply with respect to such DVD Products.

3.8 Licensee shall not register in any country any trademark, service mark, trade name, logo or other indicia of ownership (each, an "Insignia") which resembles or is confusingly similar to a Logo, or which dilutes a Logo (including, without limitation, any Insignia which incorporates a Logo) nor use any such Insignia which could reasonably be deemed to be confusingly similar, deceptive or misleading with respect to a Logo, or which could reasonably be deemed to dilute a Logo. If Licensee uses any Insignia which, in Licensor's reasonable opinion, is confusingly similar, deceptive or misleading with respect to a Logo, or which dilutes a Logo, in connection with any product, or any service or in any territory not specifically authorized hereunder, Licensee shall, immediately upon receiving a written request from Licensor, permanently cease such use.

3.9 Except as provided in this Article 3.9, Licensor shall bear the expense of obtaining and maintaining any trademark or other intellectual property registrations applicable to the Logos. As Licensor deems necessary, Licensee at its expense will comply with the applicable laws or practices of the country(ies) in which rights relating to the Logos are registered, including, without limitation, the marking of Licensee's DVD Products with any applicable notice of registration, and the recordation of Licensee as a registered or licensed user of the Logos. At Licensor's request, Licensee shall advise Licensor of all countries in which DVD Products manufactured by Licensee, or manufactured at Licensee's behest by a Third Party Manufacturer, are sold.

#### **4. Verification**

4.1 "Verification" shall mean the procedures described in this Article 4 and in Annexes B-3, B-4 and B-5, for testing a Product's compliance with the applicable DVD Format Book(s) in accordance with the applicable Test Specifications.

4.2 Licensee (if Licensee has been granted the License to use the Logos) agrees that all Products bearing or marketed under the Logos shall conform to the applicable DVD Format Book(s) and such additional standards, specifications, instructions, or quality controls as may be communicated in writing by Licensor to Licensee from time to time, and that all uses of the Logos shall fully comply with the DVD Logo Manual. Licensee further agrees that in case the Licensee manufactures any OEM Products in DVD Product Category I or DVD Product Category II, the Licensee shall cause, and bear responsibility for causing, the OEM Product Customer to comply with the requirements that all Products bearing or marketed under the Logos shall conform to the applicable DVD Format Book(s), and that all uses of the Logos shall comply with the DVD Logo Manual.

4.3 Licensee agrees that it will not manufacture, sell, market, promote or distribute a Product within DVD Product Category I or DVD Product Category II and bearing or marketed under the Logos that is not in full compliance with the applicable DVD Format Book(s) as determined by Verification of the Product in accordance with the procedures set forth in this Article 4 and in Annexes B-3, B-4 and B-5.

4.4 If at any time during the term hereof, Licensor determines, in its sole reasonable judgment and in cooperation with a Class A Verification Laboratory listed in Annex B-1, that Licensee may be manufacturing, selling, marketing, promoting or distributing a Product that is not in full compliance with an applicable DVD Format Book, then at the request of Licensor, such Licensee shall follow the procedures set forth in Annex B-5.

4.5 If Final Failure (as defined in Annex B-3 or Annex B-5) is declared for a Product, Licensor shall have the right to terminate the rights relating to the Logos granted to Licensee under this Agreement with respect to the Product as to which Final Failure has been declared, upon thirty (30) days' prior written notice to Licensee.

4.6 The right of termination set forth in Article 4.5 above shall not be exclusive of any other remedies or means of redress to which the Licensor may be lawfully entitled, and all such remedies shall be cumulative. Upon termination of the Licensee's rights pursuant to Article 4.5, all rights of Licensee granted hereunder relating to the Logos with respect to the Product that failed to meet the verification standards shall cease and the termination procedures set forth in Article 10.3 below shall apply to such termination.

4.7 For purposes of this Agreement, samples submitted for Verification pursuant to the procedures specified in this Article 4 and in Annexes B-3, B-4 or B-5 shall be selected in a manner acceptable to Licensor.

4.8 NO NOTICE OR STATEMENT OF ANY KIND SENT BY LICENSOR, OR BY ANY LABORATORY LISTED ON ANNEX B-1, SHALL BE CONSTRUED AS A REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE DVD PRODUCT IDENTIFIED IN SUCH NOTICE OR STATEMENT, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR INTERCHANGEABILITY WITH OTHER DVD PRODUCTS.

## 5. Fees

5.1 In consideration of the licenses granted hereunder, subject to the terms and conditions and with the limitations set forth herein, Licensee agrees to pay to Licensor the license fee set forth on Annex A-1 for each DVD Format Book licensed to Licensee in each DVD Product Category selected by Licensee as identified on Annex A-1. The \$5,000 paid by Licensee pursuant to the NDA may be deducted from the license fee, provided that this fee was not previously deducted from a fee paid by Licensee to Licensor. This Agreement shall not become effective for any DVD Format Book(s) as to which Licensor has not received the applicable license fee from Licensee. In the event that Licensee adds DVD Format Book(s) and/or DVD Product Category(ies) in accordance with the provisions of Article 2.2, Licensee shall pay to Licensor, concurrently with such addition, the license fee set forth on Annex A-1 for each DVD Format Book and/or DVD Product Category newly selected by Licensee. Under no circumstance will Licensee be entitled to any return or refund of a license fee.

5.2 Each time a sample Product and a test result are submitted to a verification laboratory for Verification pursuant to Article 4 and Annex B-3, B-4 or B-5 (regardless of the number of times a Product is submitted to a verification laboratory), Licensee shall pay the verification laboratory the fees as charged by the verification laboratory on a per-submission basis, promptly upon the receipt of an invoice from the verification laboratory (including all transportation fees for such submission and return of Licensee's DVD Product sample or test results); provided that such fees shall not exceed the applicable amount specified in Annex B-2.

5.3 All payments made by Licensee to Licensor or to a verification laboratory under this Agreement shall be made without any deduction for any taxes, except for any income taxes that may be owed by Licensor or such verification laboratory that are required under the law of any jurisdiction outside Japan to be withheld on any payments under this Agreement, which taxes shall be withheld by Licensee only to the extent required by law and actually paid to the appropriate taxing authority. Licensee shall, within one month following payment of any such taxes, provide proof to Licensor of payment of such taxes (including, but not limited to, official receipts in the name of Licensor and photocopies of all forms filed by Licensee with the appropriate taxing authorities) together with certified English translations of such documentation (if not in the English language). No other taxes or other charges (including, but not limited to, bank charges) shall be deducted from the payments made to Licensor or to a verification laboratory. Licensee shall indemnify Licensor or a verification laboratory for any penalties or interest that may be payable as a result of Licensee's failure to timely pay all taxes or other assessments of Licensor that Licensee is obligated to withhold.

5.4 Except as provided in Article 5.3, taxes imposed on payments by Licensee to Licensor or verification laboratories, including but not limited to value added taxes,

consumption taxes, and sales taxes, which may be imposed now or in the future under the laws of any applicable jurisdiction, shall be Licensee's sole responsibility and Licensee shall promptly transmit such taxes to the appropriate authorities as and when they become due. Such taxes shall not affect Licensee's obligation to make payments to Licensor or verification laboratories as required under this Agreement.

5.5 Licensee shall provide written notice to Licensor of any withholding to be made pursuant to Article 5.3 before payment is made in reasonable time and with sufficient information to allow Licensor to raise any objection, including any objection to the form, method, or the amount of payment, or to the withholding of any taxes.

## **6. Information**

6.1 Licensee shall comply with Licensor's reasonable requests for cooperation in connection with Licensor's efforts regarding the enforcement or protection of Licensor's rights and interests in the DVD Format Books or the Logos.

6.2 Without limiting the generality of Article 6.1, Licensee shall comply with Licensor's reasonable requests for information, including: (i) the names of, and contact information for, Third Party Manufacturers that manufacture DVD Products on behalf of Licensee; (ii) the brand names associated with DVD Products manufactured by Licensee; (iii) the brand names associated with OEM Products manufactured by Licensee; and (iv) information regarding entities that infringe on or otherwise violate Licensor's rights in the DVD Format Books or the Logos.

6.3 Licensee acknowledges (i) that officials in various countries examine DVD Products to identify infringing trademarks, including the Logos, and (ii) that DVD Products, including OEM Products and DVD Products manufactured by Affiliates and Third Party Manufacturers, that do not identify Licensee may be subject to detention, seizure or other government action. Under no circumstance will Licensor be responsible for the treatment or disposition of DVD Products by governmental authorities.

## **7. Ownership of the DVD Format Books and Logos; Reservation of Rights**

7.1 Licensee acknowledges that this Agreement does not transfer or convey to Licensee ownership of, or any rights in, any of the DVD Format Books or the Logos, except as expressly set forth herein. Use of the Logos (if Licensee has been granted the license to use the Logos) by Licensee shall inure solely to the benefit of the Logo Owner, as owner of all rights in and to the Logos. Upon termination of this Agreement, no monetary amounts shall be assigned as attributable to any goodwill associated with such Licensee's use of the DVD Format Books or the Logos.

7.2 Licensor hereby reserves all rights not herein expressly granted by this Agreement. Such reserved rights are the sole and exclusive property of the Licensor, the Format Owners, and the Logo Owner.

## **8. Confidentiality**

8.1 Licensee agrees that Licensee shall not disclose to any third party information contained in the DVD Format Book(s) licensed hereunder or any other information provided by Licensor pursuant to the terms and conditions of the NDA. Licensee further agrees that Licensee shall use information contained in the DVD Format Book(s) licensed hereunder, and



any other information provided by Licensor to Licensee, in accordance with the terms and conditions of the NDA regarding the confidential treatment of such information, and only for the development, manufacture, sale, use and other disposition of the DVD Product(s) included in the DVD Product Category(ies) identified on Annex A-3 and selected by Licensee.

8.2 Licensor shall treat any information provided to Licensor by Licensee or its Affiliates pursuant to Article 6 as confidential, and shall not disclose such information to any third party, except (a) as may be required by law (in which event, to the extent possible, Licensor shall provide Licensee with reasonable advance notice of such disclosure); (b) as part of Licensor's effort (whether by official proceeding or otherwise) to enforce or protect Licensor's intellectual property rights and other interests in the DVD Format Books and the Logos; (c) if Licensor receives the information from another source to which the Licensor does not owe an obligation of confidentiality; or (d) if the information is or becomes available in the public domain.

## **9. Warranty and Disclaimer**

9.1 LICENSOR, THE FORMAT OWNERS AND THE LOGO OWNER MAKE NO REPRESENTATION OR WARRANTY AS TO THE VALUE OR UTILITY OF THE INFORMATION TO BE SUPPLIED TO LICENSEE OR ITS AFFILIATES PURSUANT TO THIS AGREEMENT, SUCH AS BUT NOT LIMITED TO THE DVD FORMAT BOOKS, THE DVD LOGO MANUAL, AND TECHNICAL INFORMATION AND SUPPORT, IF ANY, OR THE ABILITY OF LICENSEE OR ITS AFFILIATES TO MAKE USE THEREOF TO SECURE INTERCHANGEABILITY WITH OTHER DVD PRODUCTS. LICENSOR, FORMAT OWNERS, AND LOGO OWNER MAKE NO WARRANTY WHATSOEVER THAT THE USE OF INFORMATION SUPPLIED BY LICENSOR DOES NOT INFRINGE OR WILL NOT CAUSE INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT OWNED OR CONTROLLED BY ANY PERSON. LICENSEE UNDERSTANDS AND AGREES THAT THE LICENSOR, FORMAT OWNERS AND LOGO OWNER MAKE NO WARRANTY WHATSOEVER THAT ANY MANUFACTURE, USE, SALE, LEASE OR OTHER DISPOSAL OF LICENSED PRODUCTS WILL BE FREE FROM INFRINGEMENT OF ANY THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS. IT IS EXPLICITLY UNDERSTOOD BY LICENSEE THAT LICENSOR AND FORMAT OWNERS CLAIM TO HAVE ISSUED OR PROSPECTIVE PATENTS PERTINENT TO THE LICENSED PRODUCTS, WHICH PATENTS ARE NOT LICENSED HEREUNDER. LICENSOR, FORMAT OWNERS AND LOGO OWNER MAKE NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, STATUTORY OR OTHERWISE, AND EXPRESSLY DISCLAIM IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY EQUIVALENTS UNDER THE LAWS OF ANY JURISDICTION THAT MIGHT ARISE FROM ANY ACTIVITIES OR INFORMATION DISCLOSURES RELATING TO THIS AGREEMENT.

9.2 Nothing in this Agreement shall be construed as imposing on Licensor an obligation to take any action to protect its intellectual property rights or other interests in the DVD Format Books and/or the Logos.

9.3 Licensee acknowledges and agrees that Licensor shall not be liable for the actions of any government official, agency or other authority with respect to the enforcement of any law or regulation applied or relating to DVD Products.

## **10. Term and Termination**

10.1 This Agreement shall become effective as of the Effective Date and shall continue in force until December 31, 2009, unless terminated earlier. The parties hereby agree that prior to such expiration (other than upon earlier termination of this Agreement pursuant to the provisions herein), the parties shall negotiate in good faith to renew the license granted hereunder as such renewal may be subject to further terms and conditions, including payment of then determined license fees.

10.2 Either party may terminate this Agreement at any time on thirty (30) days' written notice to the other party in the event that the latter shall materially breach or fail to perform any material obligation under this Agreement and such default is not remedied within thirty (30) days after notice is given specifying the nature of the default. Such right of termination shall not be exclusive of any other remedies or means of redress to which the non-defaulting party may be lawfully entitled, and all such remedies shall be cumulative. Licensee may terminate this agreement at any time on sixty (60) days' prior written notice to Licensor.

10.3 Immediately upon expiration or earlier termination of this Agreement, Licensee shall return to Licensor, or at Licensor's instruction, destroy all copies of the DVD Format Books in Licensee's possession and certify to Licensor that it has done so in a written sworn statement of an officer of Licensee delivered to Licensor within fifteen (15) days after such destruction or return. Licensee acknowledges that, on the last day of the term of this Agreement or upon its earlier termination, all rights granted by this Agreement shall cease.

10.4 Licensee hereby agrees (if Licensee has been granted the license to use the Logos) that the use of the Logos in any way not in compliance with the DVD Logo Manual, as such manual may be modified from time to time, or on any Product or in any advertisement or sales literature concerning any Product, which Product does not comply with the applicable DVD Format Book, shall constitute a material breach of this Agreement and infringement of the Logos.

10.5 Licensee hereby agrees that Licensor, at its sole discretion, may deem a declaration of Final Failure pursuant to Annex B-5 with respect to a Product manufactured by or on behalf of Licensee or its Affiliate as a material breach of this Agreement.

10.6 In the event that any Event of Bankruptcy occurs, then Licensor may give notice to Licensee terminating this Agreement and this Agreement shall be terminated in accordance with the notice. An "Event of Bankruptcy" occurs if:

- (i) a decree or order by a court having jurisdiction in the premises has been entered adjudging Licensee a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition, winding up or similar relief for Licensee under any applicable statute, or a decree or order of a court having jurisdiction in the premises for the appointment of a liquidator, receiver, administrator, trustee or assignee in bankruptcy or insolvency or other similar person or official of Licensee or of a substantial part of the property, or for the winding up or liquidation of the affairs of Licensee has been entered and remains unstayed; or if any substantial part of the property of Licensee has been sequestered or attached and has not been returned to the possession of Licensee or released from such attachment within 14 days thereafter; whether any such act or event occurs in Japan, or any foreign country, subdivision thereof, or any other jurisdiction; or

- (ii) Licensee institutes proceedings to be adjudicated a voluntary bankrupt or insolvent, consents to the filing of a bankruptcy or insolvency proceeding against it, files a petition or answer or consent seeking reorganization, readjustment, arrangement, composition, winding up, administration, receivership, or similar relief under any applicable statute or consents to the filing of any such petition or the entry of any such order, makes an assignment for the benefit of creditors, is determined to be unable to pay its debts or admits in writing its inability to pay its debts generally as they become due, or voluntarily suspends transactions of a substantial portion of its usual business; whether any such act or event occurs in Japan, or any foreign country or subdivision thereof, or any other jurisdiction.

10.7 The rights and obligations set forth in Articles 5, 7, 8, 9, 10.3, 12.6, 12.7 and this Article 10.7 shall survive the termination or expiration of this Agreement.

## 11. Notices

11.1 Except as provided in Article 11.2, wherever provision is made in this Agreement for the giving of any notice or communication, such notice or communication shall be in writing and shall be deemed to have been duly given if mailed by airmail, postage prepaid, addressed to the party entitled to receive the same or delivered to such party, or sent by facsimile transmission, by e-mail, or sent by courier, in each case to the attention of the individual acting on behalf of such party specified below (the "Contact Person"):

if to Licensor, to:

DVD Format/Logo Licensing Corporation  
Daimon Urbanist Bldg. 6F, 2-3-6 Shibadaimon,  
Minato-ku, Tokyo 105-0012  
Japan

Attention: Ms. Kaoru Saito  
Manager,  
Licensing  
Tel No.: +81-3-5777-2883  
Fax No.: +81-3-5777-2884  
E-mail: [license@dvdflc.co.jp](mailto:license@dvdflc.co.jp)  
or [kaysaito@dvdflc.co.jp](mailto:kaysaito@dvdflc.co.jp)

and if to the Licensee, to:

Koninklijke Philips Electronics N.V.  
Professor Holstlaan 6,  
5656 AA Eindhoven,  
the Netherlands  
Attention: Mr. Vic Paulissen  
Legal Counsel,  
Philips Intellectual Property & Standards  
Tel No.: +31-40-27-37069  
Fax No.: +31-40-27-34131  
E-mail: [vic.paulissen@philips.com](mailto:vic.paulissen@philips.com)

or to such other Contact Person or address, in any such case, as any party hereto shall have last designated by notice to the other party. Notice shall be deemed to have been given on the day

~~that~~ it is so delivered personally or sent by facsimile transmission and confirmation of ~~successful~~ transmission is received or, if sent by courier, shall be deemed to have been given ~~two~~ business days after delivery by the courier company, or if mailed, ten business days ~~following~~ the date on which such notice was so mailed.

11.2 In the event that Licensor is unable following two attempts to effect notice to ~~Licensee~~ pursuant to Article 11.1, Licensor may effect notice to Licensee by any means ~~reasonably~~ calculated to provide notice to Licensee, including but not limited to publication on ~~Licensor's~~ website (www.dvdfllc.co.jp), provided that notice provided by publication on ~~Licensor's~~ website shall be effective on the date specified on the notice, which shall be no less ~~than~~ thirty (30) days following the date of publication.

## 12. Miscellaneous

12.1 Licensee agrees that it will not bring any actions for unauthorized use or ~~infringement~~ of any of the DVD Format Books or the Logos. Licensee will notify Licensor ~~immediately~~ should it learn of any such unauthorized use or infringement by any entity. ~~Licensor~~ shall have the option, at its own expense, to assume the defense of any suit or action ~~brought~~ against Licensee that challenges or concerns the validity of any right granted by ~~Licensor~~ hereunder. Licensor shall be entitled to all proceeds resulting from any such suit or ~~action~~.

12.2 The performance by Licensor of its obligations hereunder shall be conditioned ~~upon~~ and subject to the receipt of all necessary export approvals required by and all restrictions ~~or~~ conditions imposed by any relevant government.

12.3 Licensor represents and warrants that it has the right to enter into this Agreement ~~and to grant~~ a license to Licensee pursuant to the terms hereof on behalf of the Format Owners ~~and Logo~~ Owner.

12.4 This Agreement and the rights granted hereunder shall be personal to Licensee ~~and shall~~ not be assigned, transferred, sold, pledged, divided or made subject to any lien, charge, ~~security~~ interest or encumbrance of any kind or manner. Licensee shall not have the right to ~~sub~~license any rights granted hereunder.

12.5 Licensor shall have the right to assign this Agreement, at any time during the ~~term~~ thereof, to any other entity(ies) that succeed(s) Licensor in its function as the licensor of ~~the~~ DVD Format Books and the Logos, upon prior written notice to Licensee.

12.6 THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED, AND ~~ANY~~ MATTERS RELATING TO THIS AGREEMENT SHALL BE DECIDED, ACCORDING TO THE LAWS OF THE STATE OF NEW YORK, AS IF THIS AGREEMENT WERE WHOLLY EXECUTED AND WHOLLY PERFORMED WITHIN SUCH STATE.

12.7 LICENSEE AGREES AND ACKNOWLEDGES THAT ALL DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH ~~THE~~ INTERPRETATION OR EXECUTION OF THIS AGREEMENT, LICENSOR'S LICENSING OF THE LOGOS OR THE DVD FORMAT BOOKS, OR LICENSEE'S USE OF ~~THE~~ DVD FORMAT BOOKS AND THE LOGOS, SHALL BE FINALLY SETTLED BY ~~THE~~ FEDERAL OR STATE COURTS LOCATED IN THE COUNTY OF NEW YORK IN ~~THE~~ STATE OF NEW YORK; AND EACH PARTY TO THIS AGREEMENT HEREBY: (i)

IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE RESOLUTION OF SUCH DISPUTES; (ii) IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF SAID COURTS IN ANY SUCH DISPUTE BY PERSONAL DELIVERY OR MAILING OF PROCESS BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, AT THE RESPECTIVE ADDRESS SET FORTH IN ARTICLE 11.1 ABOVE; (iii) IRREVOCABLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN SUCH COURTS OR TO THE CONVENIENCE OR INCONVENIENCE OF CONDUCTING OR PURSUING ANY ACTION OR PROCEEDING IN ANY SUCH COURT; AND (iv) IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY REGARDING THE RESOLUTION OF ANY DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

12.8 Licensee agrees to all of the terms and conditions of this Agreement (including, but not limited to, Articles 2.10, 4.8, 9.1, 12.6 and 12.7) on its own behalf and on behalf of its Affiliates. This Agreement shall inure to the benefit of the parties hereto and to each of Licensee's Affiliates, provided that (i) each such Affiliate shall comply with the terms of this Agreement as those terms apply to the Licensee, (ii) nothing herein shall relieve Licensee of any of its obligations under the terms of this Agreement, (iii) Licensee agrees to cause its Affiliates to comply with the terms and conditions of this Agreement in the same manner and to the same extent as they apply to Licensee (except that only the Licensee shall be liable for payment of the license fee to Licensor); and (iv) Licensee shall be responsible for the acts or omissions of its Affiliates as if such acts or omissions had been the acts or omissions of Licensee. Without limiting the generality of the foregoing, any breach of this Agreement by an Affiliate shall be deemed by Licensor as a breach by Licensee.

12.9 This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges all prior discussions between them and neither of the parties shall be bound by any conditions, definitions, warranties, waivers, releases or representations (either expressed or implied) with respect to the subject matter of this Agreement, other than expressly set forth herein (including the Annexes hereto), or as duly set forth on or subsequent to the date hereof in writing signed by a duly authorized representative of the party to be bound thereby.

12.10 This Agreement may be executed in counterparts (including facsimile transmission) each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives as of the Effective Date.

**KONINKLIJKE PHILIPS  
ELECTRONICS N.V.**



By (Sign)

**Bernd Peters**

Name (Print)

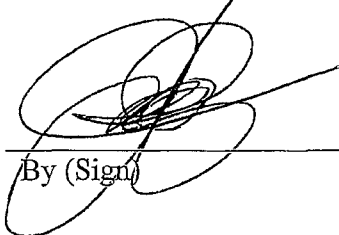
**CEO,  
Philips Intellectual Property & Standards**

Title

27 July 2005

Date

DVD FORMAT/LOGO LICENSING  
CORPORATION



By (Sign)

Makoto Inabayashi

Name (Print)

President

Title

1 Nov 2005

Date

License Fee Received

2005.11.2

# Products, Corresponding DVD Format Books and License Fees

DVD Format Books	DVD Product Category	License Fee	Licensed Product Category
DVD-ROM Book (Applications for Read-Only Disc)	I	US\$10,000	
	II(1)	US\$10,000	✓
	III	US\$10,000	✓
DVD-Video Book (Applications for Read-Only Disc)	I	US\$10,000	
	II(1)	US\$10,000	✓
	II(2)	US\$10,000	✓
	III	US\$10,000	✓
DVD-Audio Book (Applications for Read-Only Disc)	I	US\$10,000	
	II(1)	US\$10,000	✓
	III	US\$10,000	✓
DVD-R Book (Applications for Recordable Disc)	I	US\$10,000	
	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	✓
DVD-R for General Book (Applications for Recordable Disc)	I	US\$10,000	
	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	✓
DVD-R for Authoring Book (Applications for Recordable Disc)	I	US\$10,000	
	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	✓
DVD-R for DL Book (Applications for Recordable Disc for Dual Layer)	I	US\$10,000	
	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	✓
DVD-RAM(2.6G) Book (Applications for Rewritable Disc)	I	US\$10,000	
	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	
DVD-RAM(4.7G) Book (Applications for Rewritable Disc)	I	US\$10,000	
	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	✓
DVD-RW Book (Applications for Re-recordable Disc)	I	US\$10,000	
	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	✓
DVD-VR Book (Applications for DVD-RAM/DVD-RW/DVD-R Discs) Part 3: Video Recording	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	✓
DVD-SR Book (Applications for DVD-RAM/DVD-RW/DVD-R Discs) Part 5: Stream Recording	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	✓
DVD-AR Book (Applications for DVD-RAM/DVD-RW/DVD-R Discs) Part 4: Audio Recording	II(1 & 2)	US\$10,000	✓
	III	US\$10,000	✓
DVD-ENAV Book TBD	II(1 & 2)	US\$10,000	
	III	US\$10,000	
Total Fees	US\$		\$ 170,000. ma'

2 Nov '05

ANNEX C

List of Licensee's Affiliates

PHILIPS ASSEMBLY CENTRE HUNGARY

PHILIPS DA AMAZONIA

PHILIPS INDIA LTD

PSCI

PHILIPS ARGENTINA

PHILIPS BRUGGE

PHILIPS DREUX

PHILIPS EL PASO

PHILIPS PAKISTAN

PHILIPS TAIWAN

PHILIPS WARSHAW

PHILIPS FRANCE

PHILIPS SUZHOU

PHILIPS SINGAPORE

PHILIPS & BENQ DIGITAL STORAGE CORPORATION



## ANNEX B-1

### VERIFICATION LABORATORIES

#### Class A Verification Laboratories

##### China

**China Electronics Technology Group Corporation  
No.3 Research Institute**

DVD Verification Laboratory  
7B North Jiuxanqiao Road, Chaoyang District,  
Beijing, 100015, China  
TEL: +86-10-64363131 FAX: +86-10-64362324

##### Europe

**Royal Philips Electronics**

Philips Intellectual Property & Standards  
Business Support  
Prof. Holstlaan 6, Building WAH-2,  
5656 AA Eindhoven, The Netherlands  
Email: [info.licensing@philips.com](mailto:info.licensing@philips.com)  
<http://www.licensing.philips.com>  
FAX: 31-40-2732113

##### Japan

**Hitachi, Ltd.**

DVD Format Verification Laboratory  
292 Yoshida-cho, Totsuka-ku, Yokohama-shi  
Kanagawa, 244-0817 Japan  
FAX: +81-45-866-5905

**Matsushita Electric Industrial Co., Ltd.**

Format Verification Laboratory  
1-15, Matsuo-cho, Kadoma,  
Osaka, 571-8504 Japan  
FAX: +81-6-6909-5027

**Mitsubishi Electric Corporation**

DVD Verification Laboratory

Advanced Technology R&D Center

1 Zusho-Baba, Nagaokakyo-city,

Kyoto, 617-8550 Japan

TEL: +81-75-958-3757 FAX: +81-75-958-3731

**PIONEER CORPORATION**

DVD Verification Laboratory

4-2610, Hanazono, Tokorozawa-shi,

Saitama, 359-8522 Japan

FAX: +81-42-990-2831

**SHARP CORPORATION**

DVD Verification Laboratory

174, Hayakawa-cho, Yaita-city,

Iochigi, 329-2193 Japan

TEL: +81-287-44-3749 FAX: +81-287-43-6680

**Sony Corporation**

DVD Verification Laboratory

AVIT Development Gp., System Engineering Dept., Format Section

Shinagawa Intercity, Tower C, 2-15-3, Konan,

Minato-ku, Tokyo, 108-6201 Japan

FAX: +81-3-5769-5890

**Toshiba Corporation**

DVD Verification Laboratory

Strategic Licensing & Alliance Division

No 410-Bldg. in Yokohama Complex, 8, Shinsugita-cho,

Isogo-ku, Yokohama, Kanagawa, 235-8522 Japan

FAX: +81-45-770-3339

**Victor Company of Japan, Limited**

DVD Verification Lab.

2-3-chome, Moriya-cho, Kanagawa-ku,

Yokohama, Kanagawa, 221-8528 Japan

FAX: +81-45-450-1639

**LG Electronics Inc.**

DVD Verification Laboratory

DAV Division DDM Standards Gr.

19-1, Cheongho-Ri, Jinwuy-Myun,

Pyeongtaek-City, Kyunggi-Do, 451-713 Korea

TEL: +82-31-610-5335 FAX: +82-31-610-5355

**SAMSUNG ELECTRONICS CO., LTD.**

DVD Verification Laboratory

Digital Video System Division

416, Maetan-3Dong, Yeongtong-Gu, Suwon-City,

Gyeonggi-Do, 442-742 Korea

TEL: +82-31-200-0607 FAX: +82-31-200-0604

**Crest National Digital Media**

DVD Verification Laboratory

6721 Romaine Street,

Hollywood, CA 90038 U. S. A.

Email: [dvdlaboratory@crestnational.com](mailto:dvdlaboratory@crestnational.com)

FAX: +1-323-466-7128

**Panasonic Disc Manufacturing Corporation of America**

PDMC Verification Laboratory

20608 Madrona Avenue,

Torrance, CA 90503 U. S. A.

FAX: +1-310-783-4849

**Cinram Manufacturing**

DVD Verification Laboratory

1400 East Lackawanna Avenue,

Olyphant, Pennsylvania 18448 U. S. A.

FAX: +1-570-383-0328

## Taiwan

### **Industrial Technology Research Institute**

DVD Verification Laboratory

Bldg. 78, 195-8, Section 4, Chung Hsing Road,

Chutung, Hsinchu, 310 Taiwan

FAX: +886-3-5917531/+886-3-5832805

## ANNEX B-2

### MAXIMUM VERIFICATION FEES

Effective Date:  
June 19, 2005

Products	Fees
DVD-ROM Disc	\$5,000
DVD-Video Disc	\$5,000
DVD-Audio Disc	\$5,000
DVD-R (3.9Gbyte) Disc	\$7,500
DVD-R for General Disc	\$7,500
DVD-R (4X Speed) Disc	\$7,500
DVD-R (8X Speed) Disc	\$15,000
DVD-R (16X Speed) Disc	\$15,000
DVD-R for Authoring Disc	\$7,500
DVD-R for DL (2X Speed) Disc	\$7,500
DVD-R for DL (4X Speed) Disc	\$15,000
DVD-RW Disc	\$7,500
DVD-RW (2X Speed) Disc	\$7,500
DVD-RW (4X Speed) Disc	\$15,000
DVD-RW (6X Speed) Disc	\$15,000
DVD-RAM (2.6Gbyte) Disc	\$7,500
DVD-RAM (4.7/1.46Gbyte) Disc	\$7,500
DVD-RAM (3X Speed) Disc	\$7,500
DVD-RAM (5X Speed) Disc	\$15,000
DVD-ROM Drive	\$5,000
DVD-R (3.9Gbyte) Drive	\$7,500
DVD-R for General Drive	\$7,500
DVD-R for Authoring Drive	\$7,500
DVD-R for DL Drive	\$15,000
DVD-RW Drive	\$7,500
DVD-RAM (2.6Gbyte) Drive	\$7,500
DVD-RAM (4.7/1.46Gbyte) Drive	\$7,500
DVD-Video Player	\$10,000
DVD-Audio Player	\$10,000
DVD-R Video Format Recorder	\$10,000
DVD-R for DL Video Format Recorder	\$20,000
DVD-R Video (VR) Recorder	\$10,000
DVD-RW Video Format Recorder	\$10,000
DVD-RW Video (VR) Recorder	\$10,000
DVD-RAM Video (VR) Recorder	\$10,000
PC Video Format Authoring Software	\$10,000
PC VR Recording Software	\$10,000
DVD-Video Decoder	\$5,000

*For further inquiries and details, please contact an individual Class A Verification Laboratory.*

*If the Verification fee, as required by Article 5 of the Agreement, shall be arranged to an agreement between Licensee and a Verification Laboratory.*

### ANNEX B-3

Annex B-3 addresses the Verification of the Licensee's "First Production Model" as defined in the applicable Test Specification set forth in Annex A-4.

Licensees with respect to DVD Products in DVD Product Category I and DVD Product Category II(1) that use the DVD Video Format Book "DVD Specifications for Read-Only Discs," Part 3, should follow **Part I**.

Manufacturers of DVD Products not covered by Part I should follow **Part II**.

Annex B-3 does not apply to any First Production Model for which Verification was successfully completed prior to January 1, 2005.

#### **Part I**

Prior to the initial commercial shipment of the First Production Model of a Product, Licensee shall undertake the following procedures and obtain a "Confirmation of Verification" in writing from a Class A Verification Laboratory regarding the DVD Product's compliance with the applicable DVD Format Book(s).

Prior to the initial commercial shipment of the First Production Model, Licensee shall test the First Production Model using the verification tool and following the instructions provided by a Class A Verification Laboratory listed on Annex B-1 and provided by Licensee. At the conclusion of the test, Licensee shall submit to the Laboratory the results of the test together with samples of the First Production Model so tested and concurrently send a notice of that submission to Licensor. The Class A Verification Laboratory shall designate a reasonable number of samples to be submitted. Licensee may request that the Class A Verification Laboratory complete its testing and submit the results of the tests to Licensee within thirty (30) working days from receipt of the Licensee's test results and the specified number of samples of the First Production Model. The Class A Verification Laboratory, if so requested, shall make reasonable efforts to comply with this request.

Before samples of the Licensee's Product are submitted to a Class A Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by the Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto.

After the Class A Verification Laboratory receives Licensee's test results and samples of Licensee's First Production Model:

The Class A Verification Laboratory that received the Licensee's test results and samples of the First Production Model shall test the Product according to the applicable Test Specification, and shall inform Licensee and Licensor concurrently of the results (the Class A Verification Laboratory may keep a reasonable number of samples of the Product submitted by Licensee);

In the sole and reasonable judgment of the Class A Verification Laboratory, the

result of the tests is that the First Production Model does not comply with the applicable DVD Format Book(s), Licensor shall have the right to request that Licensee modify the non-compliant Product so as to comply and submit sample(s) of such modified Product to the same Class A Verification Laboratory within thirty (30) days or a longer period specified by such Class A Verification Laboratory (a reasonable number of samples to be submitted shall be designated by such Class A Verification Laboratory). The Class A Verification Laboratory shall re-test the modified First Production Model according to the applicable Test Specification, and shall inform Licensee and Licensor concurrently of the results. In addition, upon the request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, without limitation, the names of authoring studios that created the master discs for the non-compliant Product (for Products in DVD Product Category I) and the identity of any third-party suppliers of components for the non-compliant Product (for Products in DVD Product Category II(1)); and

- (iii) if, (a) following the re-testing of the modified First Production Model, in the sole and reasonable judgment of the Class A Verification Laboratory, the Product still fails to comply with the applicable DVD Format Book(s) or (b) Licensee fails to submit a modified Product within the period set forth in the above paragraph 3(ii), Licensor, in its sole discretion, shall have the right either (x) to request that Licensee further modify the Product and submit sample(s) of such further modified Product to the same Class A Verification Laboratory pursuant to paragraph 3(ii), or (y) to declare and inform Licensee of a final failure of such product to conform to the applicable DVD Format Book(s) ("Final Failure").

## **Part II.**

1. At any time after the Effective Date but no later than sixty (60) days after the initial commercial shipment of the First Production Model of a Product, Licensee shall test the First Production Model using the verification tool and following the instructions provided by a Class A Verification Laboratory listed on Annex B-1 and selected by the Licensee. At the conclusion of the test, Licensee shall submit the results of such test together with samples of the First Production Model so tested to such Laboratory, and concurrently send a notice of that submission to Licensor; provided, however, that if the Product is a DVD drive or DVD decoder that is integrated into another product and the Logo is placed anywhere on such integrated product other than on the DVD drive or DVD decoder itself, such integrated product shall be tested. The Class A Verification Laboratory shall designate a reasonable number of samples to be submitted.

2. Before samples of the Licensee's Product are submitted to a Class A Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by the Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto.

3. After the Class A Verification Laboratory receives Licensee's test results

and samples of the Licensee's First Production Model:

- (i) the Class A Verification Laboratory that received the Licensee's test results and samples of the First Production Model shall test the Product according to the applicable Test Specification, and shall inform Licensee and Licensor concurrently of the results (the Class A Verification Laboratory may keep a reasonable number of samples of DVD Products submitted by such Licensee);
- (ii) if, in the sole and reasonable judgment of such Class A Verification Laboratory, the result of the tests is that the First Production Model does not comply with the applicable DVD Format Book(s), Licensor shall have the right to request that Licensee modify the non-compliant Product so as to comply, and to submit sample(s) of such modified Product to the same Class A Verification Laboratory within thirty (30) days or a longer period specified by such Verification Laboratory (the number of samples to be submitted shall be designated by such Class A Verification Laboratory). The Class A Verification Laboratory shall re-test the modified First Production Model according to the applicable Test Specification, and shall inform Licensee and Licensor concurrently of the results. In addition, upon the request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, as applicable and without limitation, the names of authoring studios that created the master discs for the non-compliant DVD discs and the identity of any third-party suppliers of components for the non-compliant Products; and
- (iii) if, (a) following the re-testing of the modified First Production Model, in the sole and reasonable judgment of the Class A Verification Laboratory, the Product still fails to comply with the applicable DVD Format Book(s), or (b) Licensee fails to submit a modified Product within the period set forth in the above paragraph 3(ii), Licensor, in its sole discretion, shall have the right either (x) to request that Licensee further modify the Product and submit such further modified Product to the same Class A Verification Laboratory, or (y) to declare and inform Licensee of a final failure of such Product to conform to the applicable DVD Format Book(s) ("Final Failure").



## **ANNEX B-4**

This Annex B-4 applies to “Next Production Models” of Products as defined in the applicable Test Specification set forth in Annex A-4.

Licensees with respect to DVD Products in DVD Product Category I and DVD Product Category II(1) that use the DVD Video Format Book “DVD Specifications for Read Only Discs,” Part 3, shall follow **Part I**.

Licensees with respect to other DVD Products shall follow **Part II**.

### **Part I.**

Prior to the initial commercial shipment of the Next Production Model of a Product, Licensee shall undertake the following procedures to test the Product’s compliance with the applicable DVD Format Book(s).

1. Prior to the initial commercial shipment of the Next Production Model, Licensee shall (i) test such Next Production Model at its own quality assurance facility using the verification tools and in accordance with procedures set forth in the Test Specification, or (ii) if Licensee or its Affiliates does not have its own quality assurance facility, submit samples of such Next Production Model to a Class B Verification Laboratory for Verification.

2. If the Next Production Model is tested at Licensee’s own quality assurance facility, the following procedures shall apply:

- (i) if, in Licensee’s reasonable judgment, the result of the testing and verification at Licensee’s own quality assurance facility is that such Next Production Model does not comply with the applicable DVD Format Book(s), Licensee shall (i) modify the non-compliant Product so as to comply, and (ii) re-test and verify such modified Product;
- (ii) if, in Licensee’s reasonable judgment, the modified Product still fails to comply with the applicable DVD Format Book(s) following the re-testing of the Product, Licensee shall either further modify the non-compliant modified Product or determine not to ship such Next Production Model with the Logos.
- (iii) Licensee shall keep records of the tests conducted at its own quality assurance facility pursuant to this Annex B-4 for at least two (2) years after the discontinuation of production of the relevant model.
- (iv) Upon request of Licensor, Licensee shall provide to Licensor the records described in paragraph 2(iii) above in a reasonably timely manner.

3. If Licensee submits samples of a Next Production Model to a Class B Verification Laboratory, the following procedures shall apply:

- (i) before Licensee's samples are submitted to a Class B Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto. Licensee may request that the Class B Verification Laboratory finish its testing and send its test results within thirty (30) working days from each receipt of the sample DVD Product. The Class B Verification Laboratory, if so requested, shall make reasonable efforts to comply with the Licensee's request.
- (ii) after the receipt of such sample Product,
  - (a) the Class B Verification Laboratory that received Licensee's sample Product shall test such Product in accordance with the applicable Test Specification and inform Licensee and Licensor concurrently of the results of the Verification (the Class B Verification Laboratory may designate a reasonable number of samples to be submitted and may keep a reasonable number of samples of the Product submitted by Licensee);
  - (b) if, in the sole and reasonable judgment of the Class B Verification Laboratory, the result of the tests is that the Licensee's Product does not comply with the applicable DVD Format Book(s), the Licensor shall have the right to request that Licensee modify the non-compliant Product so as to comply, and that Licensee submit sample(s) of such modified Product to such Class B Verification Laboratory within thirty (30) days or a longer period specified by such Class B Verification Laboratory (the number of samples to be submitted shall be designated by such Class B Verification Laboratory). The Class B Verification Laboratory shall re-test such modified Product in accordance with the applicable Test Specification. Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, without limitation, the names of authoring studios that created the master discs for the non-compliant Products (for Products in DVD Product Category I), and any third-party suppliers of components for the non-compliant Product (for Products in DVD Product Category II(1)); and
  - (c) if, in the sole and reasonable judgment of the Class B Verification Laboratory, the modified Product still fails to comply with the applicable DVD Format Book(s), Licensee shall either resubmit a further modified Product to the same Class B Verification Laboratory, or determine not to ship such Next Production Model with the Logos.

4. Licensee acknowledges and agrees that the Class B Verification Laboratory shall keep records of all the Verification tests it conducts for at least three (3) years and, upon request of the Licensor, shall provide the records to the Licensor in a reasonably timely manner.

## **Part II.**

1. During the term of this Agreement and no later than sixty (60) days from the initial shipment of the Next Production Model of a DVD Product, Licensee (i) shall test the Next Production Model at its own quality assurance facility using the verification tools in accordance with procedures set forth in the Test Specification, or (ii) if Licensee does not have its own quality assurance facility, shall submit samples of the Next Production Model to a Class B Verification Laboratory for Verification.

2. If Licensee tests its Next Production Model at its own quality assurance facility, the following procedures shall apply:

- (i) if, in its reasonable judgment, the result of the tests at its own quality assurance facility is that the Next Production Model does not comply with the applicable DVD Format Book(s), Licensee shall modify the non-compliant Product so as to comply and re-test such modified Product;
- (ii) if, in its reasonable judgment, the modified Product still fails to comply with the applicable DVD Format Book(s) following the re-test, Licensee shall either further modify the non-compliant modified Products or determine not to ship such Next Production Model with the Logos;
- (iii) Licensee shall keep records of the tests conducted at its own quality assurance facility to at least two (2) years after the discontinuation of the relevant model.
- (iv) Upon request of Licensor, Licensee shall provide to Licensor the records described in paragraph 2(iii) in a reasonably timely manner.

3. If Licensee submits samples of a Next Production Model to a Class B Verification Laboratory, the following procedures shall apply:

- (i) before samples of Licensee's Product are submitted to a Class B Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by the Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto;
- (ii) after the receipt of such sample Product,
  - (a) the Class B Verification Laboratory that received Licensee's sample Product shall test such Product in accordance with the applicable Test Specification and inform such Licensee of the results of the Verification (the Class B Verification Laboratory may designate a reasonable number of samples to be submitted and may keep a reasonable number of samples of the Product submitted by such Licensee);
  - (b) if, in the sole and reasonable judgment of such Class B Verification Laboratory, the result of the tests is that the Licensee's Product does not comply with the applicable DVD Format Book(s), the Class B Verification Laboratory shall have the right to request that Licensee modify the

non-compliant Product so as to comply, and submit sample(s) of such modified Product to such Class B Verification Laboratory within thirty (30) days or a longer period specified by such Class B Verification Laboratory (the number of samples to be submitted shall be designated by such Class B Verification Laboratory). The Class B Verification Laboratory shall re-test such modified Product in accordance with the applicable Test Specification. Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, without limitation, the names of authoring studios that created the master discs for the non-compliant DVD discs and any third-party suppliers of components for other non-compliant Products; and

(c) if, in the sole and reasonable judgment of such Class B Verification Laboratory, the sample Product still fails to comply with the applicable DVD Format Book(s) following the re-tests described in paragraph 3(ii)(b), Licensee shall either submit a further modified Product to the same Class B Verification Laboratory or determine not to ship such Next Production Model with the Logos.

4. Licensee acknowledges and agrees that the Class B Verification Laboratory shall keep records of all the Verification tests it conducts for at least three (3) years and, upon request of the Licensor, shall provide the records to the Licensor in a reasonably timely manner.

## **ANNEX B-5**

Licensor shall from time to time and at its sole discretion have the right to examine and inspect any Product marketed by Licensee or any of its Affiliates in order to identify and to address any issues that may appear regarding the Products' compliance with the DVD Format Book(s) applicable to such Product.

### **Part I.**

If Licensor determines, in its sole reasonable judgment (in cooperation with Class A Verification Laboratories where considered necessary) that Licensee or any of its Affiliates is manufacturing, selling, marketing, promoting or distributing a Product that is suspected not to be in full compliance with the applicable DVD Format Book(s), then Licensee shall follow the procedures set forth in this Part I.

1. At the request of Licensor, Licensee shall submit to Licensor sample(s) of the Products identified by Licensor within thirty (30) days from the date of such request.

2. After receipt of the sample(s), Licensor shall request a Class A Verification Laboratory of Licensor's choosing to test the sample according to the applicable Test Specification. The Licensor shall be responsible for the fees associated with these tests. Upon completion of the tests, the Verification Laboratory shall immediately inform Licensor of the test results.

3. If, as a result of the tests, the sample(s) are found not to comply with the applicable DVD Format Book(s), Licensor shall have the right to request that Licensee submit additional samples for re-testing by a Class A Verification Laboratory selected by Licensee. The Licensee shall be responsible for the fees associated with this re-testing. If, as a result of the re-tests, the sample(s) are found not to comply with the applicable DVD Format Book(s), Licensee shall modify the Product so as to comply, and submit sample(s) of such modified Product together with the results of the self-test to the same Class A Verification Laboratory within thirty (30) days from the date of such request (or such longer period as may be specified by the Class A Verification Laboratory). The Class A Verification Laboratory shall specify a reasonable number of samples to be submitted. Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s).

4. If (a) following completion of the procedures specified in Paragraph 3, in the sole and reasonable judgment of the Class A Verification Laboratory chosen by Licensee, the sample(s) still fail to comply with the applicable DVD Format Book(s), or if (b) Licensee fails to submit sample(s) of the modified Product within the period set forth in the above, then

(1) Licensor may request that Licensee further modify the Product and submit sample(s) of such modified Product to the Class A Verification Laboratory chosen by Licensee. The Class A Verification Laboratory shall follow the same procedures set forth in Paragraph 3, which shall be repeated, at the expense of Licensee, until the results demonstrate that the Product is compliant with the applicable DVD Format Book(s), or

- (2) Licensor, in its sole discretion, shall have the right to declare and inform Licensee of a Final Failure of such Product to conform to the applicable DVD Format Book(s).

## **Part II.**

When deemed necessary by Licensor, Licensor may inspect Products by obtaining samples of the Product on the market in a manner of Licensor's choosing. At Licensor's discretion, the procedures set forth in this Part II shall be followed.

1. At the request of Licensor, a Class A Verification Laboratory shall test the Product in accordance with the applicable Test Specification. Such tests shall be at the expense of Licensor. The Class A Verification Laboratory shall immediately inform Licensor of the test results.

2. If, as a result of the tests, the Product is found not to comply with the applicable DVD Format Book(s), Licensor may request Licensee to modify the non-compliant Product. In addition, Licensor may request Licensee to submit to Licensor sample(s) of such modified Product together with the results of a self-test within 30 days (or such longer period as may be specified by Licensor). Licensor shall specify a reasonable number of samples to be submitted. Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s).

3. After receipt of such modified Products and test results, Licensor shall request the same Class A Verification Laboratory to re-test the Products at the expense of the Licensor. The Class A Verification Laboratory shall immediately inform Licensor of the results of the re-tests.

4. If, as a result of the re-tests, the Product still fails to comply with the applicable DVD Format Book(s), Licensor shall have the right to request that Licensee modify the Product so as to comply with the applicable DVD Format Book(s), and to re-submit sample(s) of such modified Product together with the results of the self-test to a Class A Verification Laboratory selected by Licensee within thirty (30) days from the date of such request (or a longer period specified by the Class A Verification Laboratory). The Licensee shall be responsible for the fees associated with this testing. The Class A Verification Laboratory shall conduct such additional tests as may be required to determine whether the Product complies with the applicable DVD Format Book(s). The Class A Verification Laboratory shall specify a reasonable number of samples to be submitted. At the request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s).

5. If (a) as a result of the additional tests, in the sole and reasonable judgment of the Class A Verification Laboratory, the Product still fails to comply with the applicable DVD Format Book(s), or (b) Licensee fails to submit sample(s) of the modified Product within the period set forth in the above, then

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- (1) Licensor may request that Licensee further modify the Product and submit sample(s) of such modified Product to the Class A Verification Laboratory following the same procedures above and at the expense of Licensee until the Product is verified as compliant with the applicable DVD Format Book(s), or
  - (2) Licensor, in its sole discretion, shall have the right to declare and inform Licensee of a Final Failure of such Product.
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## **Exhibit F**



## DVD FORMAT/LOGO LICENSE AGREEMENT

This DVD FORMAT/LOGO LICENSE AGREEMENT is entered into between DVD Format/Logo Licensing Corporation ("Licensor"), a Japanese corporation having its principal place of business at 2-3-6 Shibadaimon, Minato-ku, Tokyo 105-0012 Japan, and Koninklijke Philips Electronics N.V. ("Licensee"), a corporation of the Netherlands having its registered address at High Tech Campus 5, Eindhoven 5656 AE the Netherlands, and is effective as of the Effective Date.

WHEREAS, certain members of the DVD Forum as specified in each DVD Format Book ("Format Owners") have developed the DVD specifications pertaining to one or more DVD Products, and have obtained know-how, trade secret and technical information and copyrights embodied therein;

WHEREAS, the Format Owners have granted to Licensor the right to sublicense the DVD specifications;

WHEREAS, Licensor is the Logo Owner;

WHEREAS, Licensee desires to manufacture one or more DVD Products;

WHEREAS, Licensee has obtained one or more DVD Format Book(s) for such DVD specifications from Licensor for evaluation purposes only pursuant to the non-disclosure agreement that has been duly executed between Licensor and Licensee on April 13, 2000, which agreement is incorporated herein by reference (the "NDA");

WHEREAS, Licensor and Licensee wish to enter into this Agreement, which sets forth the terms and conditions under which Licensor grants to Licensee certain rights with respect to the DVD Format Books and the Logos.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

### **1. Definitions**

For purposes hereof, the following capitalized terms shall have the respective meanings provided below and additional capitalized terms shall have the respective meanings provided in Annex A-2:

1.1 "**Affiliate**" shall mean any corporation, firm, partnership, proprietorship, or other form of business entity, in whatever country organized or resident, that (i) desires to manufacture one or more DVD Products, (ii) is directly or indirectly controlled by Licensee, and (iii) is listed in Annex C. For the purpose of this definition, "control" of an entity shall mean more than 50% direct or indirect ownership of such entity. Entities subject to the direct or indirect control of a common entity are not thereby Affiliates of each other.

1.2 "**Agreement**" shall mean this DVD Format/Logo License Agreement, including all Annexes attached hereto, and any and all amendments to this DVD Format/Logo License Agreement and/or such Annexes.

1.3 “**Annex A**” shall mean Annex A attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.4 “**Annex B**” shall mean Annex B attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.5 “**Annex C**” shall mean Annex C attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.6 “**Annex D**” shall mean Annex D attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.7 “**Annex E**” shall mean Annex E attached to this Agreement, as such annex may be amended from time to time by Licensor.

1.8 “**DVD Format Book**” shall mean a format book listed in Annex A-1 and containing DVD specifications pertaining to one or more DVD Products, including any supplements, revisions, or updates made thereto from time to time; provided, however, that each new version of a DVD Format Book shall be considered a separate DVD Format Book, where “new version” shall mean the new specifications for a DVD Product as represented by a change of the first digit of the version number of such DVD Format Book as designated by Licensor. Except as expressly provided herein, references to “DVD Format Books” shall include applicable Optional DVD Format Books.

1.9 “**DVD Logo Manual**” shall mean the DVD Logo Manual contained in Annex A-5 that sets forth the standards for using the Logos, as it may be revised from time to time by Licensor.

1.10 “**DVD Product**” shall mean a Product identified in Annex A-2 that conforms to the applicable DVD Format Book(s) specified in Annex A-1.

1.11 “**DVD Product Category**” shall mean one of the categories of DVD Products set forth in Annex A-3.

1.12 “**Effective Date**” shall mean the later of (i) January 1, 2010 or (ii) the date on which this Agreement has been signed by both Licensee and Licensor and the license fee required by Article 5.1 is received by Licensor. With respect to any additional DVD Format Book(s) or DVD Product Category(ies) added to Annex A-1 pursuant to Article 2.2 after the Effective Date of this Agreement, the Effective Date shall be the later of (x) the date on which Licensor receives a revised Annex A-1, or (y) the date on which Licensor receives the license fee for such DVD Format Book(s) or DVD Product Category(ies) as specified in Articles 2.2 and 5.1.

1.13 “**Logo Owner**” shall mean the Licensor or any successor owner of the trademark rights, copyrights and other rights in and to the Logos pursuant to an assignment and/or transfer of such rights by the Licensor.

1.14 “**Logos**” shall mean the DVD logos as set forth in the DVD Logo Manual, which may be revised from time to time by the Licensor. “Logo” shall mean any of the Logos.

1.15 **“OEM Product”** shall mean any DVD Product manufactured by Licensee or its Affiliate to be sold under the brand, label, direction, authority or auspices of another party (the “OEM Product Customer”).

1.16 **“Optional DVD Format Book”** shall mean a supplement or addendum to a DVD Format Book that may be issued by Licensor from time to time, and that (i) is designated by Licensor as “Optional,” and (ii) contains specifications for one or more DVD Products that may be used by Licensee in conjunction with applicable DVD Format Books.

1.17 **“Product”** shall mean any disc, device or other product that uses information disclosed in a DVD Format Book.

1.18 **“Test Specification”** shall mean the minimum common specification requirement that is designated for a Product in Annex A-4 as the “Applicable Test Specification” to be evaluated during Verification.

1.19 **“Third Party Manufacturer”** shall mean any manufacturer that, pursuant to a written contract or other written agreement with Licensee, manufactures one or more DVD Products on Licensee’s behalf, irrespective of whether or not such manufacturer needs to have access to any information contained in the DVD Format Books.

1.20 **“Verification”** shall have the meaning provided in Article 4.1.

## **2. DVD Format License**

2.1 Subject to the terms and conditions and with the limitations and exceptions hereafter set forth, Licensor, as of the Effective Date, grants to Licensee and its Affiliates a non-exclusive, non-transferable license, on a worldwide basis during the term hereof, without the right to sublicense, to use the DVD Format Book(s) identified on Annex A-1 as being licensed to Licensee, including the technical information, know-how and trade secrets contained therein, solely in connection with the development, manufacture (including manufacture by a Third Party Manufacturer), sale, use or other disposition of the DVD Products included in the DVD Product Category(ies) identified on Annex A-1 as being licensed to Licensee. The license granted hereunder shall not under any circumstance authorize Licensee or its Affiliates to use the DVD Format Book(s) or the information contained therein in connection with the manufacture, sale or distribution of any Product other than the DVD Product(s) and DVD Product Category(ies) that have been designated by Licensee in Annex A-1 and for which the appropriate license fee has been paid.

2.2 Licensee shall select such DVD Format Book(s) and DVD Product Category(ies) that are licensed to Licensee and its Affiliates under this Agreement by checking the applicable box[es] on Annex A-1. During the term of this Agreement, Licensee may add any DVD Format Book(s) and DVD Product Category(ies) that Licensee has not selected previously, and may acquire a license with respect to such DVD Format Book(s) and DVD Product Category(ies), by (i) providing Licensor with a request substantially in the form of Annex E indicating Licensee’s selection of additional DVD Format Book(s) and/or DVD Product Category(ies), and (ii) paying an additional license fee in accordance with Article 5.1. The terms and conditions of this Agreement shall apply to each additional DVD Format Book and/or DVD Product Category as of the Effective Date for that DVD Format Book or DVD Product Category.

2.3 Subject to Licensor's approval, Licensee may add any Affiliate(s) of Licensee to Annex C of this Agreement, and the terms and conditions of this Agreement shall apply to such Affiliate(s) as of the date Licensor receives the amended Annex C. Licensee shall, at the request of Licensor, provide evidence satisfactory to Licensor that any entity identified in Annex C to this Agreement qualifies as an "Affiliate" under Article 1.1. If, during the term of this Agreement, an entity identified in Annex C no longer satisfies the conditions described in Article 1.1, then (i) Licensee shall notify Licensor that such entity no longer qualifies as an Affiliate, and (ii) this Agreement shall no longer apply to such entity as of the date on which the entity no longer qualified as an Affiliate.

2.4 Licensor shall have made available to Licensee under the NDA for use by Licensee and its Affiliates a copy of the then current version of one or more DVD Format Books, which may not be copied in whole or in part by anyone, including the Licensee and its Affiliates. Licensee may receive additional copies of any DVD Format Book that has been made available to Licensee for an additional fee of JPY55,000 per copy, or such other amount to be specified by Licensor. Such additional copies will be provided pursuant to, and subject to the terms and conditions of, the NDA.

2.5 In the event that Licensee arranges for the manufacture of one or more DVD Products by a Third Party Manufacturer, Licensee shall be responsible for ensuring compliance with the terms and conditions of this Agreement (including, but not limited to, Verification of such DVD Products). Licensee acknowledges that the NDA prohibits disclosure of information contained within the DVD Format Books to any third party, including any Third Party Manufacturer. Licensee agrees and acknowledges that, if it becomes necessary for a Third Party Manufacturer to have access to the information contained within the DVD Format Books, then the Third Party Manufacturer must itself become a licensee of the DVD Format Books and Logos. For the purpose of furthering Licensor's efforts regarding the enforcement or protection of Licensor's rights and interests in the DVD Format Books and/or the Logos, Licensee shall be responsible for confirming that the Third Party Manufacturer is such a licensee prior to engaging the Third Party Manufacturer to perform any task that requires information contained in the DVD Format Books. Licensee must provide to Licensor the names and contact information of all Third Party Manufacturers, licensed or otherwise, that manufactures DVD Read Only Drive, DVD Writable Drive, DVD Player and/or DVD Recorder on Licensee's behalf, in writing, unless Licensee informs Licensor of its intention not to do so, and provides a reason acceptable to Licensor for its refusal to provide that information, in writing.

2.6 In the event that Licensee manufactures an OEM Product, Licensee shall (i) be responsible for compliance with the terms and conditions of this Agreement (including, but not limited to, Verification of the OEM Product), and (ii) take reasonable steps to ensure that the OEM Product is not altered after manufacture in any manner that will affect any characteristic of the OEM Product that is addressed in the DVD Format Books. Only the Licensee or its Affiliate may apply a Logo (if licensed to Licensee hereunder) to a DVD Product.

2.7 Reserved for future addition of SID Code related provisions.

2.8 Licensee agrees that all Products manufactured or sold by Licensee shall comply with the specifications set forth in the applicable DVD Format Books, and with the updates or revisions to such DVD Format Books that Licensor may publish from time to time. In the event Licensee or its Affiliate(s) chooses to use the specifications contained in an Optional DVD Format Book for any DVD Product, then such DVD Product also shall comply with those specifications.

2.9 The licenses granted pursuant to Articles 2.1 and 3.1 of this Agreement do not apply to any Product that does not meet the requirements of Article 2.8.

2.10 IT IS EXPRESSLY UNDERSTOOD THAT THE RIGHTS AND LICENSES GRANTED PURSUANT TO THIS AGREEMENT DO NOT EXTEND TO ANY PRESENT OR FUTURE PATENT RIGHT WHATSOEVER.

### **3. DVD Logo License**

3.1 Subject to the terms and conditions and with the limitations and exceptions set forth in this Agreement, Licensor, as of the Effective Date, grants to Licensee and its Affiliates a non-exclusive, non-transferable license, on a worldwide basis, without the right to sublicense, during the term hereof, to use the Logos solely (i) on DVD Products that are within DVD Product Category I or DVD Product Category II as being licensed to Licensee, (ii) on packing materials that accompany such DVD Products, (iii) in advertising and other sales and marketing literature relating to such DVD Products, including catalogues or brochures, and user manuals for such DVD Products, or (iv) in electronic images (such as websites) associated with such DVD Products.

3.2 The Logos shall be used only in the form and manner specified in the DVD Logo Manual. Licensee is strictly prohibited from using the Logos in any form other than that which is specifically set forth in the DVD Logo Manual.

3.3 Licensee shall ensure that there is imprinted legibly and irremovably on all materials and things on or with which the Logos appear in any form the legends and notices required by the DVD Logo Manual.

3.4 Licensee shall not co-join, superimpose or combine any other logo, trademark, trade name or other designation with the Logos. Licensee shall not use the Logos in a manner which impairs the right in the Logos.

3.5 Licensee shall ensure that distributors' and retailers' usage of the Logos in advertising, promotional materials, catalogues or brochures offering Licensee's DVD Products for sale shall comply with the DVD Logo Manual and Articles 3.2, 3.3, 3.4 and 4.2 of this Agreement.

3.6 Licensee may use the Logos on an OEM Product included in DVD Product Category I or DVD Product Category II, provided that (i) the only Logo appearing on the product is the Logo affixed by the Licensee or its Affiliate; (ii) the Logo complies with the requirements of the DVD Logo Manual; (iii) such DVD Product has successfully completed Verification prior to shipment by Licensee or its Affiliate; and (iv) Licensee or its Affiliate takes reasonable steps to ensure that the Logo is not altered after shipment.

3.7 Notwithstanding anything in this Agreement to the contrary, if Licensee develops, manufactures, sells, uses or otherwise disposes of DVD Products that are within DVD Product Category III, the license of the Logos granted in Article 3.1 of this Agreement shall not apply with respect to such DVD Products.

3.8 Licensee shall not register in any country any trademark, service mark, trade name, logo or other indicia of ownership (each, an "Insignia") which resembles or is confusingly similar to a Logo, or which dilutes a Logo (including, without limitation, any Insignia which incorporates a Logo) nor use any such Insignia which could reasonably be

deemed to be confusingly similar, deceptive or misleading with respect to a Logo, or which could reasonably be deemed to dilute a Logo. If Licensee uses any Insignia which, in Licensor's reasonable opinion, is confusingly similar, deceptive or misleading with respect to a Logo, or which dilutes a Logo, in connection with any product, or any service or in any territory not specifically authorized hereunder, Licensee shall, immediately upon receiving a written request from Licensor, permanently cease such use.

3.9 Except as provided in this Article 3.9, Licensor shall bear the expense of obtaining and maintaining any trademark or other intellectual property registrations applicable to the Logos. As Licensor deems necessary, Licensee at its expense will comply with the applicable laws or practices of the country(ies) in which rights relating to the Logos are registered, including, without limitation, the marking of Licensee's DVD Products with any applicable notice of registration, and the recordation of Licensee as a registered or licensed user of the Logos. At Licensor's request, Licensee shall advise Licensor of all countries in which DVD Products manufactured by Licensee, or manufactured at Licensee's behest by a Third Party Manufacturer, are sold.

#### **4. Verification**

4.1 "Verification" shall mean the procedures described in this Article 4 and in Annexes B-3, B-4 and B-5, for testing a Product's compliance with the applicable DVD Format Book(s) in accordance with the applicable Test Specifications.

4.2 Licensee (if Licensee has been granted the License to use the Logos) agrees that all Products bearing or marketed under the Logos shall conform to the applicable DVD Format Book(s) and such additional standards, specifications, instructions, or quality controls as may be communicated in writing by Licensor to Licensee from time to time, and that all uses of the Logos shall fully comply with the DVD Logo Manual. Licensee further agrees that in case the Licensee manufactures any OEM Products in DVD Product Category I or DVD Product Category II, the Licensee shall cause, and bear responsibility for causing, the OEM Product Customer to comply with the requirements that all Products bearing or marketed under the Logos shall conform to the applicable DVD Format Book(s), and that all uses of the Logos shall comply with the DVD Logo Manual.

4.3 Licensee agrees that it will not manufacture, sell, market, promote or distribute a Product within DVD Product Category I or DVD Product Category II and bearing or marketed under the Logos that is not in full compliance with the applicable DVD Format Book(s) as determined by Verification of the Product in accordance with the procedures set forth in this Article 4 and in Annexes B-3, B-4 and B-5.

4.4 If at any time during the term hereof, Licensor determines, in its sole reasonable judgment and in cooperation with a Class A Verification Laboratory listed in Annex B-1, that Licensee may be manufacturing, selling, marketing, promoting or distributing a Product that is not in full compliance with an applicable DVD Format Book, then at the request of Licensor, such Licensee shall follow the procedures set forth in Annex B-5.

4.5 If Final Failure (as defined in Annex B-3 or Annex B-5) is declared for a Product, Licensor shall have the right to terminate the rights relating to the Logos granted to Licensee under this Agreement with respect to the Product as to which Final Failure has been declared, upon thirty (30) days' prior written notice to Licensee.

4.6 The right of termination set forth in Article 4.5 above shall not be exclusive of any other remedies or means of redress to which the Licensor may be lawfully entitled, and all such remedies shall be cumulative. Upon termination of the Licensee's rights pursuant to Article 4.5, all rights of Licensee granted hereunder relating to the Logos with respect to the Product that failed to meet the verification standards shall cease and the termination procedures set forth in Article 10.3 below shall apply to such termination.

4.7 For purposes of this Agreement, samples submitted for Verification pursuant to the procedures specified in this Article 4 and in Annexes B-3, B-4 or B-5 shall be selected in a manner acceptable to Licensor.

4.8 NO NOTICE OR STATEMENT OF ANY KIND SENT BY LICENSOR, OR BY ANY LABORATORY LISTED ON ANNEX B-1, SHALL BE CONSTRUED AS A REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE DVD PRODUCT IDENTIFIED IN SUCH NOTICE OR STATEMENT, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR INTERCHANGEABILITY WITH OTHER DVD PRODUCTS.

## 5. Fees

5.1 In consideration of the licenses granted hereunder, subject to the terms and conditions and with the limitations set forth herein, Licensee agrees to pay to Licensor the license fee set forth on Annex A-1 for each DVD Format Book licensed to Licensee in each DVD Product Category selected by Licensee as identified on Annex A-1. Licensee agrees that it is entitled to deduct JPY550,000 from the license fee, provided that the fee paid by Licensee pursuant to the NDA was not previously deducted from a license fee paid by Licensee to Licensor. This Agreement shall not become effective for any DVD Format Book(s) as to which Licensor has not received the applicable license fee from Licensee. In the event that Licensee adds DVD Format Book(s) and/or DVD Product Category(ies) in accordance with the provisions of Article 2.2, Licensee shall pay to Licensor, concurrently with such addition, the license fee set forth on Annex A-1 for each DVD Format Book and/or DVD Product Category newly selected by Licensee.

5.2 Under no circumstance will Licensee be entitled to any return or refund of a license fee.

5.3 Each time a sample Product and a test result are submitted to a verification laboratory for Verification pursuant to Article 4 and Annex B-3, B-4 or B-5 (regardless of the number of times a Product is submitted to a verification laboratory), Licensee shall pay the verification laboratory the fees as charged by the verification laboratory on a per-submission basis, promptly upon the receipt of an invoice from the verification laboratory (including all transportation fees for such submission and return of Licensee's DVD Product sample or test results); provided that such fees shall not exceed the applicable amount specified in Annex B-2.

5.4 All payments made by Licensee to Licensor or to a verification laboratory under this Agreement shall be made without any deduction for any taxes, except for any income taxes that may be owed by Licensor or such verification laboratory that are required under the law of any jurisdiction outside Japan to be withheld on any payments under this Agreement, which taxes shall be withheld by Licensee only to the extent required by law and actually paid to the appropriate taxing authority. Licensee shall, within one month following payment of any such taxes, provide proof to Licensor of payment of such taxes (including, but not limited to, official

receipts in the name of Licensor and photocopies of all forms filed by Licensee with the appropriate taxing authorities) together with certified English translations of such documentation (if not in the English language). No other taxes or other charges (including, but not limited to, bank charges) shall be deducted from the payments made to Licensor or to a verification laboratory. Licensee shall indemnify Licensor or a verification laboratory for any penalties or interest that may be payable as a result of Licensee's failure to timely pay all taxes or other assessments of Licensor that Licensee is obligated to withhold.

5.5 Except as provided in Article 5.4, taxes imposed on payments by Licensee to Licensor or verification laboratories, including but not limited to value added taxes, consumption taxes, and sales taxes, which may be imposed now or in the future under the laws of any applicable jurisdiction, shall be Licensee's sole responsibility and Licensee shall promptly transmit such taxes to the appropriate authorities as and when they become due. Such taxes shall not affect Licensee's obligation to make payments to Licensor or verification laboratories as required under this Agreement.

5.6 Licensee shall provide written notice to Licensor of any withholding to be made pursuant to Article 5.4 before payment is made in reasonable time and with sufficient information to allow Licensor to raise any objection, including any objection to the form, method, or the amount of payment, or to the withholding of any taxes.

## **6. Information**

6.1 Licensee shall comply with Licensor's reasonable requests for cooperation in connection with Licensor's efforts regarding the enforcement or protection of Licensor's rights and interests in the DVD Format Books or the Logos.

6.2 Without limiting the generality of Article 6.1, Licensee shall comply with Licensor's reasonable requests for information, including: (i) the brand names associated with DVD Products manufactured by Licensee; (ii) the brand names associated with OEM Products manufactured by Licensee; and (iii) information regarding entities that infringe on or otherwise violate Licensor's rights in the DVD Format Books or the Logos.

6.3 Licensee acknowledges (i) that officials in various countries examine DVD Products to identify infringing trademarks, including the Logos, and (ii) that DVD Products, including OEM Products and DVD Products manufactured by Affiliates and Third Party Manufacturers, that do not identify Licensee may be subject to detention, seizure or other government action. Under no circumstance will Licensor be responsible for the treatment or disposition of DVD Products by governmental authorities.

## **7. Ownership of the DVD Format Books and Logos; Reservation of Rights**

7.1 Licensee acknowledges that this Agreement does not transfer or convey to Licensee ownership of, or any rights in, any of the DVD Format Books or the Logos, except as expressly set forth herein. Use of the Logos (if Licensee has been granted the license to use the Logos) by Licensee shall inure solely to the benefit of the Logo Owner, as owner of all rights in and to the Logos. Upon termination of this Agreement, no monetary amounts shall be assigned as attributable to any goodwill associated with such Licensee's use of the DVD Format Books or the Logos.



7.2 Licensor hereby reserves all rights not herein expressly granted by this Agreement. Such reserved rights are the sole and exclusive property of the Licensor, the Format Owners, and the Logo Owner.

## **8. Confidentiality**

8.1 Licensee agrees that Licensee shall not disclose to any third party information contained in the DVD Format Book(s) licensed hereunder or any other information provided by Licensor pursuant to the terms and conditions of the NDA. Licensee further agrees that Licensee shall use information contained in the DVD Format Book(s) licensed hereunder, and any other information provided by Licensor to Licensee, in accordance with the terms and conditions of the NDA regarding the confidential treatment of such information, and only for the development, manufacture, sale, use and other disposition of the DVD Product(s) included in the DVD Product Category(ies) identified on Annex A-3 and selected by Licensee.

8.2 Licensor shall treat any information provided to Licensor by Licensee or its Affiliates pursuant to Articles 2.5 and 6 as confidential, and shall not disclose such information to any third party, except (a) as may be required by law (in which event, to the extent possible, Licensor shall provide Licensee with reasonable advance notice of such disclosure); (b) as part of Licensor's effort (whether by official proceeding or otherwise) to enforce or protect Licensor's intellectual property rights and other interests in the DVD Format Books and the Logos; (c) if Licensor receives the information from another source to which the Licensor does not owe an obligation of confidentiality; or (d) if the information is or becomes available in the public domain.

## **9. Warranty and Disclaimer**

9.1 LICENSOR, THE FORMAT OWNERS AND THE LOGO OWNER MAKE NO REPRESENTATION OR WARRANTY AS TO THE VALUE OR UTILITY OF THE INFORMATION TO BE SUPPLIED TO LICENSEE OR ITS AFFILIATES PURSUANT TO THIS AGREEMENT, SUCH AS BUT NOT LIMITED TO THE DVD FORMAT BOOKS, THE DVD LOGO MANUAL, AND TECHNICAL INFORMATION AND SUPPORT, IF ANY, OR THE ABILITY OF LICENSEE OR ITS AFFILIATES TO MAKE USE THEREOF TO SECURE INTERCHANGEABILITY WITH OTHER DVD PRODUCTS. LICENSOR, FORMAT OWNERS, AND LOGO OWNER MAKE NO WARRANTY WHATSOEVER THAT THE USE OF INFORMATION SUPPLIED BY LICENSOR DOES NOT INFRINGE OR WILL NOT CAUSE INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT OWNED OR CONTROLLED BY ANY PERSON. LICENSEE UNDERSTANDS AND AGREES THAT THE LICENSOR, FORMAT OWNERS AND LOGO OWNER MAKE NO WARRANTY WHATSOEVER THAT ANY MANUFACTURE, USE, SALE, LEASE OR OTHER DISPOSAL OF LICENSED PRODUCTS WILL BE FREE FROM INFRINGEMENT OF ANY THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS. IT IS EXPLICITLY UNDERSTOOD BY LICENSEE THAT LICENSOR AND FORMAT OWNERS CLAIM TO HAVE ISSUED OR PROSPECTIVE PATENTS PERTINENT TO THE LICENSED PRODUCTS, WHICH PATENTS ARE NOT LICENSED HEREUNDER. LICENSOR, FORMAT OWNERS AND LOGO OWNER MAKE NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, STATUTORY OR OTHERWISE, AND EXPRESSLY DISCLAIM IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY EQUIVALENTS UNDER THE LAWS OF ANY JURISDICTION THAT MIGHT ARISE FROM ANY ACTIVITIES OR INFORMATION DISCLOSURES RELATING TO THIS AGREEMENT.

9.2 Nothing in this Agreement shall be construed as imposing on Licensor an obligation to take any action to protect its intellectual property rights or other interests in the DVD Format Books and/or the Logos.

9.3 Licensee acknowledges and agrees that Licensor shall not be liable for the actions of any government official, agency or other authority with respect to the enforcement of any law or regulation applied or relating to DVD Products.

## **10. Term and Termination**

10.1 This Agreement shall become effective as of the Effective Date and shall continue in force until December 31, 2014, unless terminated earlier. The parties hereby agree that prior to such expiration (other than upon earlier termination of this Agreement pursuant to the provisions herein), the parties shall negotiate in good faith to renew the license granted hereunder as such renewal may be subject to further terms and conditions, including payment of then determined license fees.

10.2 Either party may terminate this Agreement at any time on thirty (30) days' written notice to the other party in the event that the latter shall materially breach or fail to perform any material obligation under this Agreement and such default is not remedied within thirty (30) days after notice is given specifying the nature of the default. Such right of termination shall not be exclusive of any other remedies or means of redress to which the non-defaulting party may be lawfully entitled, and all such remedies shall be cumulative. Licensee may terminate this agreement at any time on sixty (60) days' prior written notice to Licensor.

10.3 Immediately upon expiration or earlier termination of this Agreement, Licensee shall return to Licensor, or at Licensor's instruction, destroy all copies of the DVD Format Books in Licensee's possession and certify to Licensor that it has done so in a written sworn statement of an officer of Licensee delivered to Licensor within fifteen (15) days after such destruction or return. Licensee acknowledges that, on the last day of the term of this Agreement or upon its earlier termination, all rights granted by this Agreement shall cease.

10.4 Licensee hereby agrees (if Licensee has been granted the license to use the Logos) that the use of the Logos in any way not in compliance with the DVD Logo Manual, as such manual may be modified from time to time, or on any Product or in any advertisement or sales literature concerning any Product, which Product does not comply with the applicable DVD Format Book, shall constitute a material breach of this Agreement and infringement of the Logos.

10.5 Licensee hereby agrees that Licensor, at its sole discretion, may deem a declaration of Final Failure pursuant to Annex B-5 with respect to a Product manufactured by or on behalf of Licensee or its Affiliate as a material breach of this Agreement.

10.6 In the event that any Event of Bankruptcy occurs, then Licensor may give notice to Licensee terminating this Agreement and this Agreement shall be terminated in accordance with the notice. An "Event of Bankruptcy" occurs if:

- (i) a decree or order by a court having jurisdiction in the premises has been entered adjudging Licensee a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition, winding up or similar relief for Licensee under any applicable statute, or a decree or order of a court having

jurisdiction in the premises for the appointment of a liquidator, receiver, administrator, trustee or assignee in bankruptcy or insolvency or other similar person or official of Licensee or of a substantial part of the property, or for the winding up or liquidation of the affairs of Licensee has been entered and remains unstayed; or if any substantial part of the property of Licensee has been sequestered or attached and has not been returned to the possession of Licensee or released from such attachment within 14 days thereafter; whether any such act or event occurs in Japan, or any foreign country, subdivision thereof, or any other jurisdiction; or

- (ii) Licensee institutes proceedings to be adjudicated a voluntary bankrupt or insolvent, consents to the filing of a bankruptcy or insolvency proceeding against it, files a petition or answer or consent seeking reorganization, readjustment, arrangement, composition, winding up, administration, receivership, or similar relief under any applicable statute or consents to the filing of any such petition or the entry of any such order, makes an assignment for the benefit of creditors, is determined to be unable to pay its debts or admits in writing its inability to pay its debts generally as they become due, or voluntarily suspends transactions of a substantial portion of its usual business; whether any such act or event occurs in Japan, or any foreign country or subdivision thereof, or any other jurisdiction.

10.7 The rights and obligations set forth in Articles 5, 7, 8, 9, 10.3, 12.6, 12.7 and this Article 10.7 shall survive the termination or expiration of this Agreement.

## **11. Notices**

11.1 Except as provided in Article 11.2, wherever provision is made in this Agreement for the giving of any notice or communication, such notice or communication shall be in writing and shall be deemed to have been duly given if mailed by airmail, postage prepaid, addressed to the party entitled to receive the same or delivered to such party, or sent by facsimile transmission, by e-mail, or sent by courier, in each case to the attention of the individual acting on behalf of such party specified below (the "Contact Person"):

if to Licensors, to:

DVD Format/Logo Licensing Corporation  
Daimon Urbanist Bldg. 6F, 2-3-6 Shibadaimon,  
Minato-ku, Tokyo 105-0012  
Japan

Attention: Ms. Kaoru Saito  
Manager,  
Licensing  
Tel No.: +81-3-5777-2883  
Fax No.: +81-3-5777-2884  
E-mail: [license@dvdflc.co.jp](mailto:license@dvdflc.co.jp)  
or [kaysaito@dvdflc.co.jp](mailto:kaysaito@dvdflc.co.jp)

and if to the Licensee, to:

Koninklijke Philips Electronics N.V.  
c/o Philips International B.V.  
High Tech Campus 44, Eindhoven 5656 AE  
the Netherlands

Attention: Mr. Boudewijn van Dijk  
 Director IP Licensing,  
 Philips Intellectual Property & Standards  
 Tel No.: +31-40-2740653  
 Fax No.: +31-40-2732113  
 E-mail: Boudewijn.van.Dijk@Philips.com

or to such other Contact Person or address, in any such case, as any party hereto shall have last designated by notice to the other party. Notice shall be deemed to have been given on the day that it is so delivered personally or sent by facsimile transmission and confirmation of successful transmission is received or by e-mail and successful transmission is confirmed or, if sent by courier, shall be deemed to have been given two business days after delivery by the courier company, or if mailed, ten business days following the date on which such notice was so mailed.

11.2 In the event that Licensor is unable following two attempts to effect notice to Licensee pursuant to Article 11.1, Licensor may effect notice to Licensee by any means reasonably calculated to provide notice to Licensee, including but not limited to publication on Licensor's website ([www.dvdfllc.co.jp](http://www.dvdfllc.co.jp)), provided that notice provided by publication on Licensor's website shall be effective on the date specified on the notice, which shall be no less than thirty (30) days following the date of publication.

11.3 Licensee agrees to have its name and the DVD Format Books and DVD Product Category(ies) for which Licensee is licensed be listed on Licensor's website ([www.dvdfllc.co.jp](http://www.dvdfllc.co.jp)), unless Licensee otherwise notifies Licensor in writing. Licensor may discontinue such listing of Licensees on its website, at Licensor's discretion.

11.4 Licensee agrees to have its name and the DVD Products that passed Verification in accordance with Annex B-3 listed on Licensor's website ([www.dvdfllc.co.jp](http://www.dvdfllc.co.jp)), unless Licensee otherwise notifies Licensor in writing. Licensor may at its discretion (i) choose the specific DVD Products to be listed, and (ii) start or discontinue web disclosure at any time. Licensor will list all such Licensees that have passed Verification, as reported to Licensor, for the specific DVD Products that Licensor has elected to list.

## **12. Miscellaneous**

12.1 Licensee agrees that it will not bring any actions for unauthorized use or infringement of any of the DVD Format Books or the Logos. Licensee will notify Licensor immediately should it learn of any such unauthorized use or infringement by any entity. Licensor shall have the option, at its own expense, to assume the defense of any suit or action brought against Licensee that challenges or concerns the validity of any right granted by Licensor hereunder. Licensor shall be entitled to all proceeds resulting from any such suit or action.

12.2 The performance by Licensor of its obligations hereunder shall be conditioned upon and subject to the receipt of all necessary export approvals required by and all restrictions or conditions imposed by any relevant government.

12.3 Licensors represents and warrants that it has the right to enter into this Agreement and to grant a license to Licensee pursuant to the terms hereof on behalf of the Format Owners and Logo Owner.

12.4 This Agreement and the rights granted hereunder shall be personal to Licensee and shall not be assigned, transferred, sold, pledged, divided or made subject to any lien, charge, security interest or encumbrance of any kind or manner. Licensee shall not have the right to sublicense any rights granted hereunder. For purpose of this Article 12.4, (i) any transaction (including but not limited to any merger, statutory or otherwise) resulting in a combination of the Licensee and another Person, in which the Licensee is not the surviving entity, shall constitute a transfer of the Agreement, and (ii) "Person" means any corporate or juridical entity (including a general or limited partnership), any joint venture, or any other entity recognized under the statutes, laws or regulations of the jurisdiction in which such entity was established or organized.

12.5 Licensors shall have the right to assign this Agreement, at any time during the term thereof, to any other entity(ies) that succeed(s) Licensors in its function as the licensor of the DVD Format Books and the Logos, upon prior written notice to Licensee.

12.6 THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED, AND ANY MATTERS RELATING TO THIS AGREEMENT SHALL BE DECIDED, ACCORDING TO THE LAWS OF THE STATE OF NEW YORK, AS IF THIS AGREEMENT WERE WHOLLY EXECUTED AND WHOLLY PERFORMED WITHIN SUCH STATE.

12.7 LICENSEE AGREES AND ACKNOWLEDGES THAT ALL DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH THE INTERPRETATION OR EXECUTION OF THIS AGREEMENT, LICENSOR'S LICENSING OF THE LOGOS OR THE DVD FORMAT BOOKS, OR LICENSEE'S USE OF THE DVD FORMAT BOOKS AND THE LOGOS, SHALL BE FINALLY SETTLED BY THE FEDERAL OR STATE COURTS LOCATED IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK; AND EACH PARTY TO THIS AGREEMENT HEREBY: (i) IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE RESOLUTION OF SUCH DISPUTES; (ii) IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF SAID COURTS IN ANY SUCH DISPUTE BY PERSONAL DELIVERY OR MAILING OF PROCESS BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, AT THE RESPECTIVE ADDRESS SET FORTH IN ARTICLE 11.1 ABOVE; (iii) IRREVOCABLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN SUCH COURTS OR TO THE CONVENIENCE OR INCONVENIENCE OF CONDUCTING OR PURSUING ANY ACTION OR PROCEEDING IN ANY SUCH COURT, AND (iv) IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY REGARDING THE RESOLUTION OF ANY DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

12.8 Licensee agrees to all of the terms and conditions of this Agreement (including, but not limited to, Articles 2.10, 4.8, 9.1, 12.6 and 12.7) on its own behalf and on behalf of its Affiliates. This Agreement shall inure to the benefit of the parties hereto and to each of Licensee's Affiliates, provided that (i) each such Affiliate shall comply with the terms of this Agreement as those terms apply to the Licensee, (ii) nothing herein shall relieve Licensee of any of its obligations under the terms of this Agreement, (iii) Licensee agrees to cause its Affiliates to comply with the terms and conditions of this Agreement in the same manner and to


the same extent as they apply to Licensee (except that only the Licensee shall be liable for payment of the license fee to Licensor); and (iv) Licensee shall be responsible for the acts or omissions of its Affiliates as if such acts or omissions had been the acts or omissions of Licensee. Without limiting the generality of the foregoing, any breach of this Agreement by an Affiliate shall be deemed by Licensor as a breach by Licensee.

12.9 This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges all prior discussions between them and neither of the parties shall be bound by any conditions, definitions, warranties, waivers, releases or representations (either expressed or implied) with respect to the subject matter of this Agreement, other than expressly set forth herein (including the Annexes hereto), or as duly set forth on or subsequent to the date hereof in writing signed by a duly authorized representative of the party to be bound thereby.

12.10 This Agreement may be executed in counterparts (including facsimile transmission) each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives as of the Effective Date.

KONINKLIJKE PHILIPS  
ELECTRONICS N.V.



By (Sign)

Ruud Peters

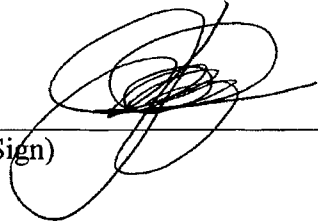
Name (Print)

CEO

Title

March 25, 2010  
Date

DVD FORMAT/LOGO LICENSING  
CORPORATION



By (Sign)

Makoto Inabayashi

Name (Print)


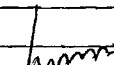
President

Title

13 Apr 2010  
Date

# ANNEX A-1

## DVD Products, Corresponding DVD Format Books and License Fees

DVD Format Books	DVD Product Category	License Fee	Licensed Product Category
DVD-ROM Book (DVD Specifications for Read-Only Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1)	JPY1,100,000	
	III	JPY1,100,000	
DVD-Video Book (DVD Specifications for Read-Only Disc) Part 3: Video	I	JPY1,100,000	
	II(1)	JPY1,100,000	
	II(2)	JPY1,100,000	
	III	JPY1,100,000	
DVD-Audio Book (DVD Specifications for Read-Only Disc) Part 4: Audio	I	JPY1,100,000	
	II(1)	JPY1,100,000	
	III	JPY1,100,000	
DVD-R (3.9Gbytes) Book (DVD Specifications for Recordable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
DVD-R for Authoring Book (DVD Specifications for Recordable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
DVD-R for General Book (DVD Specifications for Recordable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
DVD-R for DL Book (DVD Specifications for Recordable Disc for Dual Layer) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
DVD-Download Book (DVD Specifications for Download Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
DVD-Download for DL Book (DVD Specifications for Download Disc for Dual Layer) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
DVD-RAM(2.6Gbytes) Book (DVD Specifications for Rewritable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
DVD-RAM(4.7Gbytes) Book (DVD Specifications for Rewritable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
DVD-RW Book (DVD Specifications for Re-recordable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
DVD-RW for DL Book (DVD Specifications for Re-recordable Disc for Dual Layer) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	



DVD Format Books	DVD Product Category	License Fee	Licensed Product Category
DVD-VR Book (DVD Specifications for DVD-RAM/DVD-RW/DVD-R for General Discs) Part 3: Video Recording	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
DVD-SR Book (DVD Specifications for DVD-RAM/DVD-RW/DVD-R for General Discs) Part 5: Stream Recording	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
DVD-AR Book (DVD Specifications for DVD-RAM/DVD-RW/DVD-R for General Discs) Part 4: Audio Recording	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-ROM Book (DVD Specifications for High Density Read-Only Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-Video Book (DVD Specifications for High Definition Video) Chapters 1 to 10 Annexes	I	JPY1,100,000	
	II(1)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-R Book (DVD Specifications for High Density Recordable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-R for DL Book (DVD Specifications for High Density Recordable Disc for Dual Layer) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-RAM Book (DVD Specifications for High Density Rewritable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-RW Book (DVD Specifications for High Density Re-recordable Disc) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-RW for DL Book (DVD Specifications for High Density Re-recordable Disc for Dual Layer) Part 1: Physical Part 2: File System	I	JPY1,100,000	
	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
HD DVD-VR Book (DVD Specifications for High Definition Video Recording)	II(1 & 2)	JPY1,100,000	
	III	JPY1,100,000	
Total Fees	JPY		

NA

me

13 Apr '10

## **ANNEX C**

### **List of Licensee's Affiliates**

PHILIPS LTD. ASSEMBLY CENTER HUNGARY

PHILIPS DA AMAZONIA

PHILIPS INDIA LTD.

PHILIPS ARGENTINA S.A.

PHILIPS ELECTRONICS INDUSTRIES (TAIWAN) LTD.

PHILIPS ELECTRONICS SINGAPORE PTE LTD.

PHILIPS ELECTRONICS HONG KONG LIMITED

PHILIPS INTERNATIONAL B.V.

## **ANNEX B-1**

### **VERIFICATION LABORATORIES**

#### **Class A Verification Laboratories**

##### **China**

**China Electronics Technology Group Corporation**  
**No.3 Research Institute**  
DVD Verification Laboratory  
7B North Jiuxanqiao Road, Chaoyang District,  
Beijing 100015 China  
TEL: +86-10-64363131 ext. 6848  
FAX: +86-10-64362324

##### **Europe**

**Dataplay GmbH**  
DVD Verification Laboratory  
Anton Maria Schyrle Strasse 7,  
A-6600 Reutte, Austria  
TEL: +43-5672-206-0  
FAX: +43-5672-206-730  
E-mail: a-lab@datarius.com  
<http://www.datarius.com>

##### **Japan**

**ALMEDIO INC.**  
Testing Laboratory  
32-13, Sakae-cho 2 chome,  
Higashimurayama-shi,  
Tokyo, 189-0013 Japan  
FAX: +81-42-397-1919

**Hitachi, Ltd.**  
Format Verification Center  
292 Yoshida-cho, Totsuka-ku, Yokohama-shi,  
Kanagawa 244-0817 Japan  
FAX: +81-45-866-5905

**Memory-Tech Corporation**  
DVD Verification Laboratory  
2-27-25, Minami-Aoyama, Minato-ku,  
Tokyo 107-0062 Japan  
TEL: +81-3-3405-8925  
Fax: +81-3-3405-7602  
Email: [verification-lab@memory-tech.co.jp](mailto:verification-lab@memory-tech.co.jp)  
<http://www.memory-tech.co.jp>

**Mitsubishi Electric Corporation**

DVD Verification Laboratory  
Advanced Technology R&D Center  
1 Zusho-Baba, Nagaokakyo-city,  
Kyoto 617-8550 Japan  
FAX: +81-75-958-3703

**Panasonic Corporation**

Format Verification Laboratory  
1-15, Matsuo-cho, Kadoma,  
Osaka 571-8504 Japan  
FAX: +81-6-6909-5027

**PIONEER CORPORATION**

Verification Laboratory  
6-1-2 Fujimi, Tsurugashima-shi,  
Saitama 350-2288 Japan  
Fax: +81-49-279-1512

**SANYO Electric Co., Ltd.**

DVD Verification Laboratory  
180, Ohmori, Anpachi-cho, Anpachi-gun  
Gifu 503-0195 Japan  
Fax: +81-584-64-2383

**SHARP CORPORATION**

DVD Verification Laboratory  
174, Hayakawa-cho, Yaita-city,  
Tochigi 329-2193 Japan  
TEL: +81-287-44-3749  
FAX: +81-287-43-6680

**Sony Corporation**

Verification Laboratory  
5-1-12, Kitashinagawa, Shinagawa-ku,  
Tokyo 141-0001 Japan  
FAX: +81-3-5448-3458

**Toshiba Corporation**

DVD Verification Laboratory  
Strategic Licensing & Alliance Division  
No.410-Bldg. in Yokohama Complex, 8, Shinsugita-cho,  
Isogo-ku, Yokohama, Kanagawa 235-8522 Japan  
FAX: +81-45-770-3339

**Victor Company of Japan, Limited**

DVD Verification Lab.  
12, 3-chome, Moriya-cho, Kanagawa-ku,  
Yokohama, Kanagawa 221-8528 Japan  
FAX: +81-45-450-2428  
E-mail: verification-lab@jvc-victor.jp



## **Korea**

### **LG Electronics Inc.**

DVD Verification Laboratory  
DAV Division DDM Standards Gr.  
19-1, Cheongho-Ri, Jinwuy-Myun,  
Pyungtaik-City, Kyunggi-Do 451-713 Korea  
TEL: +82-31-610-5335  
FAX: +82-31-610-5355

### **SAMSUNG ELECTRONICS CO., LTD.**

Format Verification Lab.  
VD Division, DM Business  
416, Maetan-3Dong, Yeongtong-Gu, Suwon-City,  
Gyeonggi-Do 443-742 Korea  
TEL: +82-31-277-0875  
FAX: +82-31-277-3398

## **U.S.A.**

### **Crest Digital**

DVD Verification Laboratory  
3845 E. Coronado Street,  
Anaheim, CA 92807 U. S. A.  
FAX: +1-323-466-7128  
Email: [dvdlaboratory@crestnational.com](mailto:dvdlaboratory@crestnational.com)

### **Panasonic Disc Manufacturing Corporation of America**

PDMC Verification Laboratory  
20608 Madrona Avenue,  
Torrance, CA 90503 U. S. A.  
FAX: +1-310-783-4849

## **Taiwan**

### **Industrial Technology Research Institute**

DVD Verification Laboratory  
Rm. 233, Bldg. 53, 195, Section 4, Chung Hsing Road,  
Chutung, Hsinchu 310 Taiwan  
FAX: +886-3-5832805

**ANNEX B-2****MAXIMUM VERIFICATION FEES**

Effective Date: January, 2010

<b>Products</b>	<b>Fees</b>
DVD-ROM Disc	\$5,000
Time Limited DVD-ROM Disc	\$10,000
DVD-Video Disc	\$5,000
DVD-Audio Disc	\$5,000
DVD-R (3.9Gbytes) Disc	\$7,500
DVD-R for Authoring Disc	\$7,500
DVD-R for General Disc	\$7,500
DVD-R (4X Speed) Disc	\$7,500
DVD-R (8X Speed) Disc	\$15,000
DVD-R (16X Speed) Disc	\$15,000
DVD-R for DL (2X Speed) Disc	\$7,500
DVD-R for DL (4X Speed) Disc	\$15,000
DVD-R for DL (8X Speed) Disc	\$15,000
DVD-R for DL (12X Speed) Disc	\$15,000
DVD-Download Disc without pre-record	\$7,500
DVD-Download Disc with pre-record	\$15,000
DVD-Download for DL Disc without pre-record	\$15,000
DVD-Download for DL Disc with pre-record	\$15,000
DVD-RW Disc	\$7,500
DVD-RW (2X Speed) Disc	\$7,500
DVD-RW (4X Speed) Disc	\$15,000
DVD-RW (6X Speed) Disc	\$15,000
DVD-RW for DL (2X Speed) Disc	\$7,500
DVD-RAM (2.6Gbytes) Disc	\$7,500
DVD-RAM (4.7/1.46Gbytes) Disc	\$7,500
DVD-RAM (3X Speed) Disc	\$7,500
DVD-RAM (5X Speed) Disc	\$15,000
DVD-RAM (6X Speed) Disc	\$7,500
DVD-RAM (8X Speed) Disc	\$7,500
DVD-RAM (12X Speed) Disc	\$15,000
Empty case for DVD-RAM (4.7Gbytes) Disc	\$1,000
DVD-ROM Drive	\$5,000
DVD-R (3.9Gbytes) Drive	\$7,500
DVD-R for Authoring Drive	\$7,500
DVD-R for General Drive	\$7,500
DVD-R for DL Drive	\$15,000
DVD-Download Drive	\$7,500
DVD-Download for DL Drive	\$15,000
DVD-RW Drive	\$7,500
DVD-RW for DL Drive	\$15,000
DVD-RAM (2.6Gbytes) Drive	\$7,500
DVD-RAM (4.7/1.46Gbytes) Drive	\$7,500

DVD-Video Player	\$10,000
DVD-Audio Player	\$10,000
DVD-R Video Format Recorder	\$10,000
DVD-R for DL Video Format Recorder	\$20,000
DVD-R Video (VR) Recorder	\$10,000
DVD-R for DL Video (VR) Recorder	\$20,000
DVD-RW Video Format Recorder	\$10,000
DVD-RW Video (VR) Recorder	\$10,000
DVD-RW for DL Video (VR) Recorder	TBD
DVD-RAM Video (VR) Recorder	\$10,000
PC Video Format Authoring Software	\$10,000
PC VR Format Recording Software	\$10,000
HD DVD-ROM Disc	\$7,500
HD DVD-Video Disc (Red Laser)	\$10,000
HD DVD-Video Disc (Blue Laser)	\$10,000
HD DVD-R Disc	\$10,000
HD DVD-R (2X Speed) Disc	\$12,000
HD DVD-R for DL Disc	\$15,000
HD DVD-RAM Disc	\$10,000
HD DVD-RW Disc	\$10,000
HD DVD-RW (2X Speed) Disc	\$12,000
HD DVD-RW for DL Disc	\$15,000
HD DVD-ROM Drive	\$7,500
HD DVD-R (1X Speed) Drive	\$10,000
HD DVD-R (2X/1X Speed) Drive	\$12,000
HD DVD-R for DL Drive	\$15,000
HD DVD-RAM Drive	\$10,000
HD DVD-RW (1X Speed) Drive	\$10,000
HD DVD-RW (2X/1X Speed) Drive	\$12,000
HD DVD-RW for DL Drive	TBD
HD DVD-Video Player	\$20,000
HD DVD-VR Recorder for HD DVD-R	\$15,000
HD DVD-VR Recorder for HD DVD-R for DL	\$20,000
HD DVD-VR Recorder for HD DVD-RAM	\$15,000
HD DVD-VR Recorder for DVD-R	\$15,000
HD DVD-VR Recorder for DVD-R for DL	\$20,000
HD DVD-VR Recorder for DVD-RW	\$15,000
HD DVD-VR Recorder for DVD-RAM	\$15,000
HD DVD-VR Recorder for HD DVD-RW (1X Speed)	\$15,000
HD DVD-VR Recorder for HD DVD-RW (2X/1X Speed)	\$15,000
HD DVD-VR Recorder for HD DVD-RW for DL	TBD
PC HD DVD-Video Authoring Software	\$15,000
PC HD DVD-VR Recording Software	TBD

***For further inquiries and details, please contact an individual Class A Verification Laboratory.***

**Payment of the Verification fee, as required by Article 5 of the Agreement, shall be arranged pursuant to an agreement between Licensee and a Verification Laboratory.**

## **ANNEX B-3**

This Annex B-3 addresses the Verification of the Licensee's "First Production Model" as defined in the applicable Test Specification set forth in Annex A-4.

Licensees with respect to DVD Products in DVD Product Category I and DVD Product Category II(1) that use the DVD Video Format Book "DVD Specifications for Read Only Discs," Part 3, should follow **Part I**.

Manufacturers of DVD Products not covered by Part I should follow **Part II**.

This Annex B-3 does not apply to any First Production Model for which Verification was successfully completed prior to January 1, 2010.

### **Part I.**

Prior to the initial commercial shipment of the First Production Model of a Product, Licensee shall undertake the following procedures and obtain a "Confirmation of Verification" in writing from a Class A Verification Laboratory regarding the DVD Product's compliance with the applicable DVD Format Book(s).

1. Prior to the initial commercial shipment of the First Production Model, Licensee shall test the First Production Model using the verification tool and following the instructions provided by a Class A Verification Laboratory listed on Annex B-1 and selected by Licensee. At the conclusion of the test, Licensee shall submit to the Laboratory the results of the test together with samples of the First Production Model so tested, and concurrently send a notice of that submission to Licensor. The Class A Verification Laboratory shall designate a reasonable number of samples to be submitted. Licensee may request that the Class A Verification Laboratory complete its testing and send the results of the tests to Licensee within thirty (30) working days from receipt of the Licensee's test results and the specified number of samples of the First Production Model. The Class A Verification Laboratory, if so requested, shall make reasonable efforts to comply with this request.

2. Before samples of the Licensee's Product are submitted to a Class A Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by the Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto.

3. After the Class A Verification Laboratory receives Licensee's test results and samples of Licensee's First Production Model:

- (i) the Class A Verification Laboratory that received the Licensee's test results and samples of the First Production Model shall test the Product according to the applicable Test Specification, and shall inform Licensee and Licensor concurrently of the results (the Class A Verification Laboratory may keep a



reasonable number of samples of the Product submitted by Licensee);

- (ii) if, in the sole and reasonable judgment of the Class A Verification Laboratory, the result of the tests is that the First Production Model does not comply with the applicable DVD Format Book(s), Licensor shall have the right to request that Licensee modify the non-compliant Product so as to comply and submit sample(s) of such modified Product to the same Class A Verification Laboratory within thirty (30) days or a longer period specified by such Class A Verification Laboratory (a reasonable number of samples to be submitted shall be designated by such Class A Verification Laboratory). The Class A Verification Laboratory shall re-test the modified First Production Model according to the applicable Test Specification, and shall inform Licensee and Licensor concurrently of the results. In addition, upon the request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, without limitation, the names of authoring studios that created the master discs for the non-compliant Product (for Products in DVD Product Category I) and the identity of any third-party suppliers of components for the non-compliant Product (for Products in DVD Product Category II(1)); and
- (iii) if, (a) following the re-testing of the modified First Production Model, in the sole and reasonable judgment of the Class A Verification Laboratory, the Product still fails to comply with the applicable DVD Format Book(s) or (b) Licensee fails to submit a modified Product within the period set forth in the above paragraph 3(ii), Licensor, in its sole discretion, shall have the right either (x) to request that Licensee further modify the Product and submit sample(s) of such further modified Product to the same Class A Verification Laboratory pursuant to paragraph 3(ii), or (y) to declare and inform Licensee of a final failure of such product to conform to the applicable DVD Format Book(s) ("Final Failure").

## Part II.

1. At any time after the Effective Date but no later than sixty (60) days after the initial commercial shipment of the First Production Model of a Product, Licensee shall test the First Production Model using the verification tool and following the instructions provided by a Class A Verification Laboratory listed on Annex B-1 and selected by the Licensee. At the conclusion of the test, Licensee shall submit the results of such test together with samples of the First Production Model so tested to such Laboratory, and concurrently send a notice of that submission to Licensor. The Class A Verification Laboratory shall designate a reasonable number of samples to be submitted.

2. Before samples of the Licensee's Product are submitted to a Class A Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by the Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto.

## **ANNEX B-4**

This Annex B-4 applies to "Next Production Models" of Products as defined in the applicable Test Specification set forth in Annex A-4.

Licensees with respect to DVD Products in DVD Product Category I and DVD Product Category II(1) that use the DVD Video Format Book "DVD Specifications for Read Only Discs," Part 3, shall follow **Part I**.

Licensees with respect to other DVD Products shall follow **Part II**.

### **Part I.**

Prior to the initial commercial shipment of the Next Production Model of a Product, Licensee shall undertake the following procedures to test the Product's compliance with the applicable DVD Format Book(s).

1. Prior to the initial commercial shipment of the Next Production Model, Licensee shall (i) test such Next Production Model at its own quality assurance facility using the verification tools and in accordance with procedures set forth in the Test Specification, or (ii) if Licensee or its Affiliates does not have its own quality assurance facility, submit samples of such Next Production Model to a Class B Verification Laboratory for Verification.

2. If the Next Production Model is tested at Licensee's own quality assurance facility, the following procedures shall apply:

- (i) if, in Licensee's reasonable judgment, the result of the testing and verification at Licensee's own quality assurance facility is that such Next Production Model does not comply with the applicable DVD Format Book(s), Licensee shall (i) modify the non-compliant Product so as to comply, and (ii) re-test and verify such modified Product;
- (ii) if, in Licensee's reasonable judgment, the modified Product still fails to comply with the applicable DVD Format Book(s) following the re-testing of the Product, Licensee shall either further modify the non-compliant modified Product or determine not to ship such Next Production Model with the Logos.
- (iii) Licensee shall keep records of the tests conducted at its own quality assurance facility pursuant to this Annex B-4 for at least two (2) years after the discontinuation of production of the relevant model.
- (iv) Upon request of Licensor, Licensee shall provide to Licensor the records described in paragraph 2(iii) above in a reasonably timely manner.

3. If Licensee submits samples of a Next Production Model to a Class B Verification Laboratory, the following procedures shall apply:

- (i) before Licensee's samples are submitted to a Class B Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto. Licensee may request that the Class B Verification Laboratory finish its testing and send its test results within thirty (30) working days from each receipt of the sample DVD Product. The Class B Verification Laboratory, if so requested, shall make reasonable efforts to comply with the Licensee's request.
- (ii) after the receipt of such sample Product,
  - (a) the Class B Verification Laboratory that received Licensee's sample Product shall test such Product in accordance with the applicable Test Specification and inform Licensee and Licensor concurrently of the results of the Verification (the Class B Verification Laboratory may designate a reasonable number of samples to be submitted and may keep a reasonable number of samples of the Product submitted by Licensee);
  - (b) if, in the sole and reasonable judgment of the Class B Verification Laboratory, the result of the tests is that the Licensee's Product does not comply with the applicable DVD Format Book(s), the Licensor shall have the right to request that Licensee modify the non-compliant Product so as to comply, and that Licensee submit sample(s) of such modified Product to such Class B Verification Laboratory within thirty (30) days or a longer period specified by such Class B Verification Laboratory (the number of samples to be submitted shall be designated by such Class B Verification Laboratory). The Class B Verification Laboratory shall re-test such modified Product in accordance with the applicable Test Specification. Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, without limitation, the names of authoring studios that created the master discs for the non-compliant Products (for Products in DVD Product Category I), and any third-party suppliers of components for the non-compliant Product (for Products in DVD Product Category II(1)); and
  - (c) if, in the sole and reasonable judgment of the Class B Verification Laboratory, the modified Product still fails to comply with the applicable DVD Format Book(s), Licensee shall either resubmit a further modified Product to the same Class B Verification Laboratory, or determine not to ship such Next Production Model with the Logos.

4. Licensee acknowledges and agrees that the Class B Verification Laboratory shall keep records of all the Verification tests it conducts for at least three (3)

years and, upon request of the Licensor, shall provide the records to the Licensor in a reasonably timely manner.

## **Part II.**

1. During the term of this Agreement and no later than sixty (60) days from the initial shipment of the Next Production Model of a DVD Product, Licensee (i) shall test the Next Production Model at its own quality assurance facility using the verification tools in accordance with procedures set forth in the Test Specification, or (ii) if Licensee does not have its own quality assurance facility, shall submit samples of the Next Production Model to a Class B Verification Laboratory for Verification.

2. If Licensee tests its Next Production Model at its own quality assurance facility, the following procedures shall apply:

- (i) if, in its reasonable judgment, the result of the tests at its own quality assurance facility is that the Next Production Model does not comply with the applicable DVD Format Book(s), Licensee shall modify the non-compliant Product so as to comply and re-test such modified Product;
- (ii) if, in its reasonable judgment, the modified Product still fails to comply with the applicable DVD Format Book(s) following the re-test, Licensee shall either further modify the non-compliant modified Products or determine not to ship such Next Production Model with the Logos;
- (iii) Licensee shall keep records of the tests conducted at its own quality assurance facility to at least two (2) years after the discontinuation of the relevant model.
- (iv) Upon request of Licensor, Licensee shall provide to Licensor the records described in paragraph 2(iii) in a reasonably timely manner.

3. If Licensee submits samples of a Next Production Model to a Class B Verification Laboratory, the following procedures shall apply:

- (i) before samples of Licensee's Product are submitted to a Class B Verification Laboratory, Licensee and the Laboratory shall enter into a non-disclosure agreement covering confidential information submitted by the Licensee, the basic terms and conditions of which are set forth in Annex D attached hereto;
- (ii) after the receipt of such sample Product,
  - (a) the Class B Verification Laboratory that received Licensee's sample Product shall test such Product in accordance with the applicable Test Specification and inform such Licensee of the results of the Verification (the Class B Verification Laboratory may designate a reasonable number of

samples to be submitted and may keep a reasonable number of samples of the Product submitted by such Licensee);

(b) if, in the sole and reasonable judgment of such Class B Verification Laboratory, the result of the tests is that the Licensee's Product does not comply with the applicable DVD Format Book(s), the Class B Verification Laboratory shall have the right to request that Licensee modify the non-compliant Product so as to comply, and submit sample(s) of such modified Product to such Class B Verification Laboratory within thirty (30) days or a longer period specified by such Class B Verification Laboratory (the number of samples to be submitted shall be designated by such Class B Verification Laboratory). The Class B Verification Laboratory shall re-test such modified Product in accordance with the applicable Test Specification. Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book(s), including, without limitation, the names of authoring studios that created the master discs for the non-compliant DVD discs and any third-party suppliers of components for other non-compliant Products; and

(c) if, in the sole and reasonable judgment of such Class B Verification Laboratory, the sample Product still fails to comply with the applicable DVD Format Book(s) following the re-tests described in paragraph 3(ii)(b), Licensee shall either submit a further modified Product to the same Class B Verification Laboratory or determine not to ship such Next Production Model with the Logos.

4. Licensee acknowledges and agrees that the Class B Verification Laboratory shall keep records of all the Verification tests it conducts for at least three (3) years and, upon request of the Licensor, shall provide the records to the Licensor in a reasonably timely manner.

## **ANNEX B-5**

Licensors shall from time to time and at its sole discretion have the right to examine and inspect any Product marketed by Licensee or any of its Affiliates in order to identify and to address any issues that may appear regarding the Products' compliance with the DVD Format Book(s) applicable to such Product.

### **Part I.**

If Licensors determine, in its sole reasonable judgment (in cooperation with Class A Verification Laboratories where considered necessary) that Licensee or any of its Affiliates is manufacturing, selling, marketing, promoting or distributing a Product that is suspected not to be in full compliance with the applicable DVD Format Book(s), then Licensee shall follow the procedures set forth in this Part I.

1. At the request of Licensors, Licensee shall submit to Licensors sample(s) of the Products identified by Licensors within thirty (30) days from the date of such request.

2. After receipt of the sample(s), Licensors shall request a Class A Verification Laboratory of Licensors' choosing to test the sample according to the applicable Test Specification. The Licensors shall be responsible for the fees associated with these tests. Upon completion of the tests, the Verification Laboratory shall immediately inform Licensors of the test results.

3. If, as a result of the tests, the sample(s) are found not to comply with the applicable DVD Format Book(s), Licensors shall have the right to request that Licensee submit additional samples for re-testing by a Class A Verification Laboratory selected by Licensee. The Licensee shall be responsible for the fees associated with this re-testing. If, as a result of the re-tests, the sample(s) are found not to comply with the applicable DVD Format Book(s), Licensee shall modify the Product so as to comply, and submit sample(s) of such modified Product together with the results of the self-test to the same Class A Verification Laboratory within thirty (30) days from the date of such request (or such longer period as may be specified by the Class A Verification Laboratory). The Class A Verification Laboratory shall specify a reasonable number of samples to be submitted. Upon request of Licensors, Licensee shall promptly provide information necessary for Licensors to trace the cause of such non-compliance with the applicable DVD Format Book(s).

4. If (a) following completion of the procedures specified in Paragraph 3, in the sole and reasonable judgment of the Class A Verification Laboratory chosen by Licensee, the sample(s) still fail to comply with the applicable DVD Format Book(s), or if (b) Licensee fails to submit sample(s) of the modified Product within the period set forth in the above, then

(1) Licensors may request that Licensee further modify the Product and submit sample(s) of such modified Product to the Class A Verification Laboratory chosen by Licensee. The Class A Verification Laboratory shall follow the same procedures set forth in Paragraph 3, which shall be repeated, at the expense of

Licensee, until the results demonstrate that the Product is compliant with the applicable DVD Format Book(s), or

- (2) Licenser, in its sole discretion, shall have the right to declare and inform Licensee of a Final Failure of such Product to conform to the applicable DVD Format Book(s).

## **Part II.**

When deemed necessary by Licenser, Licenser may inspect Products by obtaining samples of the Product on the market in a manner of Licenser's choosing. At Licenser's discretion, the procedures set forth in this Part II shall be followed.

1. At the request of Licenser, a Class A Verification Laboratory shall test the Product in accordance with the applicable Test Specification. Such tests shall be at the expense of Licenser. The Class A Verification Laboratory shall immediately inform Licenser of the test results.

2. If, as a result of the tests, the Product is found not to comply with the applicable DVD Format Book(s), Licenser may request Licensee to modify the non-compliant Product. In addition, Licenser may request Licensee to submit to Licenser sample(s) of such modified Product together with the results of a self-test within 30 days (or such longer period as may be specified by Licenser). Licenser shall specify a reasonable number of samples to be submitted. Licensee shall promptly provide information necessary for Licenser to trace the cause of such non-compliance with the applicable DVD Format Book(s).

3. After receipt of such modified Products and test results, Licenser shall request the same Class A Verification Laboratory to re-test the Products at the expense of the Licenser. The Class A Verification Laboratory shall immediately inform Licenser of the results of the re-tests.

4. If, as a result of the re-tests, the Product still fails to comply with the applicable DVD Format Book(s), Licenser shall have the right to request that Licensee modify the Product so as to comply with the applicable DVD Format Book(s), and to re-submit sample(s) of such modified Product together with the results of the self-test to a Class A Verification Laboratory selected by Licensee within thirty (30) days from the date of such request (or a longer period specified by the Class A Verification Laboratory). The Licensee shall be responsible for the fees associated with this testing. The Class A Verification Laboratory shall conduct such additional tests as may be required to determine whether the Product complies with the applicable DVD Format Book(s). The Class A Verification Laboratory shall specify a reasonable number of samples to be submitted. At the request of Licenser, Licensee shall promptly provide information necessary for Licenser to trace the cause of such non-compliance with the applicable DVD Format Book(s).

5. If (a) as a result of the additional tests, in the sole and reasonable judgment of the Class A Verification Laboratory, the Product still fails to comply with the applicable DVD Format Book(s), or (b) Licensee fails to submit sample(s) of the modified Product within the period set forth in the above, then

- (1) Licensor may request that Licensee further modify the Product and submit sample(s) of such modified Product to the Class A Verification Laboratory following the same procedures above and at the expense of Licensee until the Product is verified as compliant with the applicable DVD Format Book(s), or
- (2) Licensor, in its sole discretion, shall have the right to declare and inform Licensee of a Final Failure of such Product.



## **Exhibit G**

## DVD FORMAT/LOGO LICENSE AGREEMENT

This FORMAT/LOGO LICENSE AGREEMENT is made between DVD Format/Logo Licensing Corporation ("Licensor"), a Japanese corporation having its principal place of business at 2-3-11 Shibadaimon, Minato-ku, Tokyo 105-0012, Japan, and Time Warner Inc. ("Licensee"), a Delaware corporation having its principal place of business at 75 Rockefeller Plaza, New York, New York, 10019, and is effective as of the later of the two signature dates below (the "Effective Date").

WHEREAS, certain members of the DVD Forum as specified in each DVD Format Book ("Format Owners") have developed the DVD specifications pertaining to one or more DVD products, and have obtained know-how, trade secret and technical information and copyrights embodied therein;

WHEREAS, the Format Owners have granted to Licensor the right to sublicense the DVD specifications;

WHEREAS, the Logo Owner (as defined below) of the trademark rights, copyrights and other rights in and to the Logos (as defined below) has granted to Licensor the right to sublicense the Logos;

WHEREAS, Licensee has obtained one or more DVD Format Book(s) (hereinafter defined) for such DVD specifications from Licensor for evaluation purposes only pursuant to a non-disclosure agreement that has been duly executed between Licensor and Licensee and that is attached hereto and incorporated herein by reference (the "NDA");

WHEREAS, Licensor and Licensee wish to enter into this Agreement which sets forth the terms and conditions under which Licensor grants to Licensee certain rights with respect to the DVD Format Books and Logos (each as defined below).

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

### 1. Definitions

For purposes hereof, the following capitalized terms shall have the respective meanings provided below and additional capitalized terms shall have the respective meanings provided in Schedule A:



1.1 **"Agreement"** shall mean this DVD Format and Logo License, including all schedules attached hereto, and any and all amendments to the Agreement and/or such schedules.

1.2 **"Affiliate"** shall mean, with respect to either party hereto, any corporation, firm, partnership, proprietorship, or other form of business entity, in whatever country organized or resident, directly or indirectly controlled by such party, and that is listed in Schedule C. For the purpose of this definition, "control" shall mean more than 50% ownership, directly or indirectly, or the equivalent power to direct or cause the direction of the management or policies of such entity, directly or indirectly. Licensee may add any Affiliate(s) of Licensee to Schedule C at any time with a prior written notice to Licensor.

1.3 **"DVD Format Books"** shall mean the format books set forth in Schedule A-1 containing DVD specifications pertaining to one or more DVD Products, including any supplements, revisions, or updates made thereto from time to time; provided, however, that each new version of a DVD Format Book shall be considered a separate DVD Format Book, where "new version" shall mean new specifications for a DVD format as represented by the change of the first digit of the version number.

1.4 **"DVD Graphic Standards Manual"** shall mean the DVD Graphic Standards Manual which sets forth the standards for using the Logos, as it may be revised from time to time by Licensor.

1.5 **"DVD Product"** shall mean each DVD Product set forth on Schedule A-2.

1.6 **"DVD Product Category"** shall mean the categories of DVD Products set forth on Schedule A-3.

1.7 **"Logos"** shall mean the DVD logos as set forth in the DVD Graphic Standards Manual, which may be revised from time to time by the Logo Owner.

1.8 **"Logo Owner"** shall mean the owner of the trademark rights, copyrights and other rights in and to the Logos and shall include the current owner of such rights, Time Warner Entertainment Company, L.P. ("TWE"), and any successor of such rights pursuant to an assignment and/or transfer of such rights.

1.9 **"Schedule A"** shall mean Schedule A attached to this Agreement, as such schedule may be amended from time to time by Licensor.

1.10 **"Schedule B"** shall mean Schedule B attached to this Agreement, as such schedule may be amended from time to time by Licensor.



1.11 "Schedule C" shall mean Schedule C attached to this Agreement, as such schedule may be amended from time to time by Licensor.

1.12 "Schedule D" shall mean Schedule D attached to this Agreement, as such schedule may be amended from time to time by Licensor.

## 2. DVD Format License

2.1 Upon the terms and conditions and with the limitations and exceptions hereafter set forth, Licensor hereby grants to Licensee and its Affiliates specified in Schedule C a non-exclusive license, on a worldwide basis during the term hereof, to use the DVD Format Books identified on Schedule A-1 as being licensed to Licensee, including the technical information, know-how and trade secrets contained therein, solely in connection with Licensee's development, manufacture (including having manufactured on a subcontract basis), sale, use or other disposition of the DVD Products included in the DVD Product Category(ies) identified on Schedule A-3 as being licensed to Licensee. Within thirty (30) days after the Effective Date, Licensee shall select such DVD Format Book(s) and DVD Product Category(ies) that are licensed to Licensee and its Affiliates under this Agreement by checking the applicable column(s) in Schedule A-1. During the term of this Agreement, Licensee may add such DVD Format Book(s) and DVD Product Category(ies) that Licensee has not selected before and may be licensed to Licensee and its Affiliates under this Agreement by (a) providing Licensor with a revised Schedule A-1, with Licensee's selection of additional DVD Format Book(s) and/or DVD Product Category(ies), and (b) making additional payment(s) in accordance with Article 5.1. In the event that Licensee has the DVD Products manufactured by a third party on a subcontract basis pursuant to this Section, Licensee shall be responsible for such third party's compliance with the terms and conditions of this Agreement, including compliance with the DVD Format Books and confidentiality obligations.

### 2.2

Reserved for future addition of SID Code related provisions

2.3 Licensor shall have made available to Licensee under the NDA for use by Licensee and its Affiliates upon payment by Licensee of US\$5,000, a copy of the then current version of a DVD Format Book, which may not be copied by anyone in whole or in part without prior written consent of Licensor. Licensee may receive additional copies of any DVD Format Book that has been made available to Licensee for an additional fee of \$500 or other amount to be specified by Licensor per copy under the NDA.

2.4 Licensee acknowledges that the right to use the DVD Format Books

licensed hereunder does not extend to its use in connection with any product that does not comply with such DVD Format Books or that is incompatible with products that comply with such DVD Format Books.

2.5 IT IS EXPRESSLY UNDERSTOOD THAT THE RIGHTS AND LICENSES GRANTED PURSUANT TO THIS AGREEMENT DO NOT EXTEND TO ANY PRESENT OR FUTURE PATENT RIGHT WHATSOEVER.


### 3. DVD Logo License

3.1 Upon the terms and conditions and with the limitations and exceptions hereafter set forth, Licenser hereby grants to Licensee and its Affiliates a non-exclusive license to use the Logos solely on DVD Products that are within the Category I Products or Category II Products, and packing materials, and in related advertising and other sales and marketing literature, including catalogues or brochures, and user manuals for such DVD Products, in the form and manner specified in the DVD Graphic Standards Manual on a worldwide basis during the term hereof. If Licensee manufactures and/or assembles computers that incorporate DVD Drives as defined in Schedule A-2 and/or DVD Decoders as defined in Schedule A-2 bearing the Logos, Licensee shall not be required to enter into a license to use the Logos; provided, that (i) Licensee's sole use of the Logos is the inclusion in such computers of DVD Drives and/or DVD Decoders bearing the Logos; (ii) the manufacturer of such DVD Drives and/or DVD Decoders has duly obtained a license to use the Logos on such DVD Drives and/or DVD Decoders; (iii) such DVD Drives and/or DVD Decoders have been independently verified by one of the laboratories listed on Schedule B-1 pursuant to the procedures set forth in Article 4; and (iv) such DVD Drives and/or DVD Decoders have not been materially altered; provided, further, that if Licensee manufactures and/or assembles computers and affixes the Logos on the computers as a whole system product, then Licensee shall be required to obtain a license for the Logos pursuant to this Article 3.

3.2 Licensee and its Affiliates are strictly prohibited from using the Logos in any other form than that which is specifically set forth in the DVD Graphic Standards Manual.

3.3 Licensee and its Affiliates shall ensure that there is imprinted legibly and irremovably on all materials and things on or with which the Logos appear in any form, the legends and notices required by the DVD Graphic Standards Manual.

3.4 Licensee and its Affiliates shall not co-join, superimpose or combine any other logo, trademark, trade name or other designation with the Logos. Licensee shall not use the Logos in a manner which impairs the right in the Logos.



3.5 Licensee and its Affiliates shall ensure that distributors' and retailers' usage of the Logos in advertising, promotional materials, catalogues or brochures offering Licensee's and its Affiliates' DVD Products for sale shall comply with the DVD Graphic Standards Manual and Articles 3.2, 3.3, 3.4 and 4.1 of this Agreement.

3.6 Notwithstanding the foregoing, if Licensee develops, manufactures, sells, uses or otherwise disposes of DVD Products that are within the Category III Products, the license of the Logos and the rights and obligations of the Licensee regarding such license set forth in this Article 3 shall not apply with respect to such DVD Products.


#### 4. Verification

4.1 Licensee and its Affiliates (if Licensee has been granted the License to use the Logos) agree that all products bearing or marketed under the Logos shall be of high quality and shall conform to the applicable DVD Format Book and such additional standards, specifications, instructions and other quality controls regarding use of the Logos as may be communicated in writing by Licensor from time to time, and that all uses of the Logos shall fully comply with the DVD Graphic Standards Manual. Licensee and its Affiliates further agree that in case the Licensee or any of its Affiliates sells any DVD Products that are within the Category I Products or Category II Products, on an OEM basis to third parties, the Licensee or any such Affiliate shall cause, and bear responsibility for causing, such third parties to comply with the requirements that all products bearing or marketed under the Logos and sold by the third parties shall be of high quality and conform to the applicable DVD Format Book, and that all uses of the Logos by the third parties shall comply with the DVD Graphic Standards Manual.

4.2 Licensee and its Affiliates hereby agree that it will not manufacture, sell, market, promote or distribute a DVD Product within the Category I Products or Category II Products and bearing or marketed under the Logos other than in full compliance with the applicable DVD Format Book and the procedures set forth below and in Schedules B-3, B-4 and B-5.

4.3 If Final Failure (defined in Schedule B-3) is declared for a DVD Product, Licensor shall have the right to terminate the rights relating to the Logos granted to such Licensee under this Agreement with respect to the DVD Product that has been declared the Final Failure, upon thirty (30) days' prior written notice to Licensee.

4.4 If at any time during the term hereof, Licensor determines, in its sole reasonable judgment and in cooperation with a Class A Verification Laboratory listed in Schedule B-1, that Licensee or any of its Affiliates may be manufacturing, selling, marketing, promoting or distributing a DVD Product within the Category I Products or Category II Products and bearing or marketed under Logos, which is not in full



compliance with the applicable DVD Format Book, at the request of Licensor, such Licensee shall follow procedures set forth in Schedule B-5.

4.5 If Final Failure II (defined in Schedule B-5) is declared for a DVD Product, Licensor shall have the right to terminate the rights relating to the Logos granted to such Licensee under this Agreement with respect to the DVD Product that has been declared the Final Failure II, upon thirty (30) days' prior written notice to Licensee.


4.6 The right of termination set forth in Articles 4.3 and 4.5 above shall not be exclusive of any other remedies or means of redress to which the Licensor may be lawfully entitled, and all such remedies shall be cumulative. Upon termination pursuant to Articles 4.3 or 4.5, all rights of Licensee granted hereunder, relating to the Logos with respect to the DVD Product that failed to meet the verification standards, shall cease and the termination procedures set forth in Section 9.2 below shall apply to such termination.

4.7 For purposes of this Agreement, samples to be submitted pursuant to this Article 4 shall be selected in a manner acceptable to the verification laboratory to which they are submitted.

4.8 NO NOTICE OR STATEMENT OF ANY KIND SENT BY ANY LABORATORY LISTED ON SCHEDULE B-1 OR BY LICENSOR, SHALL BE CONSTRUED AS A REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE DVD PRODUCT IDENTIFIED IN SUCH NOTICE OR STATEMENT, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR INTERCHANGEABILITY WITH OTHER DVD PRODUCTS.

## 5. Fees

5.1 In consideration of the license granted hereunder, upon the terms and conditions and with the limitations set forth herein, Licensee agrees to pay to Licensor, within thirty (30) days after the Effective Date, the license fee set forth on Schedule A for each DVD Format Book licensed to Licensee in each DVD Product Category selected by Licensee, as identified on Schedule A-1; provided, however, that Licensee may be entitled to a discount in the amount of \$5,000 which Licensee had paid to Licensor under the NDA, from the total license fee payable hereunder. The license fee shall not be returnable or refundable in any event. In the event that Licensee adds DVD Format Book(s) and DVD Product Category(ies) in accordance with the provision of Article 2.1, Licensee agrees to pay to Licensor, concurrently with such addition, the license fee set forth on Schedule A-1 for each DVD Format Book newly licensed to Licensee in each DVD Product Category newly selected by Licensee, as identified on Schedule A-1.




5.2 Licensee agrees to pay to the verification laboratory to which Licensee submits a DVD Product for verification, each time a sample DVD Product and a test result are submitted to a verification laboratory pursuant to Schedules B-3 or B-4 (regardless of the number of times a DVD Product is submitted to a verification laboratory) the fees as charged by the verification laboratory on a per-submission basis, promptly upon the receipt of an invoice from the verification laboratory, provided that such fee shall not exceed the amount as specified in Schedule B-2. The transportation fees for such submission and return of Licensee's DVD Product sample or test results shall be borne by Licensee.

5.3 All payments made by Licensee to Licensor or verification laboratories under this Agreement shall be made without any deduction for any taxes, except any income taxes that may be owed by Licensor that are required to be withheld under any law of any jurisdiction outside Japan on any payments by Licensee to Licensor under this Agreement, which taxes shall be withheld by Licensee to the extent required by law and actually paid to the appropriate taxing authority. Licensee shall provide written notice to Licensor before payment is made in reasonable time to allow Licensor to object. Licensee shall within one month following payment of any such taxes provide proof to Licensor of payment of such taxes (including, but not limited to, official receipts in the name of Licensor and photocopies of all forms filed by Licensee with the appropriate taxing authorities) together with certified English translations of such documentation (if not in the English language). Licensee shall indemnify Licensor for any penalties and interest that may be payable as a result of Licensee's failure to timely pay all taxes or other assessments of Licensor that Licensee is obligated to withhold. All other taxes imposed on payments by Licensee to Licensor or verification laboratories, including but not limited to value added taxes, consumption taxes, and sales taxes, which may be imposed now or in the future or under the laws of any applicable jurisdiction shall be Licensee's sole responsibility and Licensee shall promptly transmit such taxes to the appropriate authorities as and when they become due. Such taxes shall not affect Licensee's obligation to make payments to Licensor or verification laboratories as required under this Agreement.

## **6. Ownership of the DVD Format Books and Logos; Reservation of Rights**

6.1 Licensee acknowledges that this Agreement does not transfer or convey to Licensee ownership of or any rights in any of the DVD Format Books or the Logos, except as expressly set forth herein. Licensee's use of the Logos (if Licensee has been granted the license to use the Logos) shall inure solely to the benefit of the Logo Owner, as owner of all rights in and to the Logos. Upon termination of this Agreement, no monetary amounts shall be assigned as attributable to any goodwill associated with such Licensee's use of the DVD Format Books or the Logos.






6.2 Licensor hereby reserves all rights not herein expressly granted to Licensee. Such reserved rights are the sole and exclusive property of the Licensor and the Format Owners.

## **7. Confidentiality**

7.1 Licensee agrees that Licensee and its Affiliates shall not disclose to any third party information contained in the DVD Format Books licensed hereunder and any other information provided by Licensor as confidential information pursuant to the terms and conditions of the NDA. Licensee further agrees that Licensee and its Affiliates shall use information contained in the DVD Format Books licensed hereunder and any other information provided by Licensor as confidential information pursuant to the terms and conditions of the NDA only for the purpose of development, manufacture (including having manufactured), sale, use and other disposition of the DVD Products included in the DVD Product Category(ies) identified on Schedule A-3 and selected by Licensee.

## **8. Warranty and Disclaimer**

8.1 LICENSOR, OTHER FORMAT OWNERS AND LOGO OWNER MAKE NO REPRESENTATION OR WARRANTY AS TO THE VALUE OR UTILITY OF THE INFORMATION TO BE SUPPLIED TO LICENSEE PURSUANT TO THIS AGREEMENT, SUCH AS BUT NOT LIMITED TO THE DVD FORMAT BOOKS, THE DVD GRAPHICS STANDARDS MANUAL, AND TECHNICAL INFORMATION AND SUPPORT, IF ANY, OR THE ABILITY OF LICENSEE TO MAKE USE THEREOF TO SECURE INTERCHANGEABILITY WITH OTHER DVD PRODUCTS. LICENSOR, OTHER FORMAT OWNERS AND LOGO OWNER MAKE NO WARRANTY WHATSOEVER THAT THE USE OF INFORMATION SUPPLIED BY LICENSOR DOES NOT INFRINGE OR WILL NOT CAUSE INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT OWNED OR CONTROLLED BY ANY PERSON. LICENSEE UNDERSTANDS AND AGREES THAT THE LICENSOR, OTHER FORMAT OWNERS AND LOGO OWNER MAKE NO WARRANTY WHATSOEVER THAT ANY MANUFACTURE, USE, SALE, LEASE OR OTHER DISPOSAL OF LICENSED PRODUCTS WILL BE FREE FROM INFRINGEMENT OF ANY THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS. IT IS EXPLICITLY UNDERSTOOD BY LICENSEE THAT LICENSOR AND OTHER FORMAT OWNERS CLAIM TO HAVE ISSUED OR PROSPECTIVE PATENTS PERTINENT TO THE LICENSED PRODUCTS, WHICH PATENTS ARE NOT LICENSED HEREUNDER. LICENSOR, OTHER FORMAT OWNERS AND LOGO OWNER MAKE NO REPRESENTATION AND WARRANTY, EXPRESSED OR IMPLIED, STATUTORY OR OTHERWISE, AND EXPRESSLY DISCLAIM IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR



PURPOSE AND ANY EQUIVALENTS UNDER THE LAWS OF ANY JURISDICTION THAT MIGHT ARISE FROM ANY ACTIVITIES OR INFORMATION DISCLOSURES RELATING TO THIS AGREEMENT.

## **9. Term and Termination**

9.1 This Agreement shall become effective as of the Effective Date and shall continue in force until December 31, 2004. The parties hereby agree that prior to such expiration (other than earlier termination of this Agreement pursuant to the provisions herein), the parties shall negotiate in good faith to renew the license granted hereunder as such renewal may be subject to further terms and conditions, including payment of then determined license fees.

9.2 Immediately upon expiration or earlier termination of this Agreement, Licensee shall return to Licensor or destroy at Licensor's instruction, all DVD Format Books licensed to Licensee hereunder, the DVD Graphics Standards Manual (if Licensee has been granted the License to use the Logos), and all copies of the foregoing documents, upon the last date that this Agreement remains in force and effect. Licensee acknowledges that, on the last day of the term of this Agreement or its earlier termination, all rights of Licensee granted hereunder shall cease.

9.3 Either party may terminate this Agreement at any time on thirty (30) days' notice to the other party in the event that the latter shall materially breach or fail to perform any material obligation under this Agreement and such default is not remedied within thirty (30) days after notice is given specifying the nature of the default. Such right of termination shall not be exclusive of any other remedies or means of redress to which the non-defaulting party may be lawfully entitled, and all such remedies shall be cumulative.

Licensee hereby agrees (if Licensee has been granted the license to use the Logos) that the use of the Logos in any way not in compliance with the DVD Graphic Standards Manual, as such manual may be modified from time to time, or on any product or in any advertisement or sales literature concerning any product, which product does not comply with the applicable DVD Format Book, shall constitute a material breach of this Agreement and infringement of the Logos.

9.4 In the event that any Event of Bankruptcy occurs, then Licensor may give notice to Licensee terminating this Agreement and this Agreement shall be terminated in accordance with the notice. An "Event of Bankruptcy" occurs if:

- (i) a decree or order by a court having jurisdiction in the premises has been entered adjudging Licensee a bankrupt or insolvent, or approving as properly filed a

petition seeking reorganization, readjustment, arrangement, composition, winding up or similar relief for Licensee under any applicable statute, or a decree or order of a court having jurisdiction in the premises for the appointment of a liquidator, receiver, administrator, trustee or assignee in bankruptcy or insolvency or other similar person or official of Licensee or of a substantial part of the property, or for the winding up or liquidation of the affairs of Licensee has been entered and remains unstayed; or if any substantial part of the property of Licensee has been sequestered or attached and has not been returned to the possession of Licensee or released from such attachment within 14 days thereafter; whether any such act or event occurs in Japan, or any foreign country, subdivision thereof, or any other jurisdiction; or

- (ii) Licensee institutes proceedings to be adjudicated a voluntary bankrupt or insolvent, consents to the filing of a bankruptcy or insolvency proceeding against it, files a petition or answer or consent seeking reorganization, readjustment, arrangement, composition, winding up, administration, receivership, or similar relief under any applicable statute or consents to the filing of any such petition or the entry of any such order, makes an assignment for the benefit of creditors, is determined to be unable to pay its debts or admits in writing its inability to pay its debts generally as they become due, or voluntarily suspends transactions of a substantial portion of its usual business; whether any such act or event occurs in Japan, or any foreign country or subdivision thereof, or any other jurisdiction.

9.5 The provisions set forth in Articles 6, 7, 8 and 9 shall survive the termination or expiration of this Agreement.

## 10. Miscellaneous

10.1 Licensee agrees that it will not bring any actions for unauthorized use or infringement of any of the DVD Format Books or the Logos. Licensee will notify Licensor immediately should it learn of any such potential unauthorized use or infringement. Licensor shall have the option, at its own expense, to assume the defense of any suit or action brought against Licensee that challenges or concerns the validity of any right granted by Licensor hereunder.

10.2 The performance by Licensor of its obligations hereunder shall be conditioned upon and subject to the receipt of all necessary export approvals required by and all restrictions or conditions imposed by any relevant government.

10.3 Licensor represents and warrants that it has the right to enter into this Agreement and to grant a license to Licensee pursuant to the terms hereof on behalf of the Format Owners and Logo Owner.



10.4 This Agreement and the rights granted hereunder shall be personal to Licensee and shall not be assigned, pledged, divided or otherwise encumbered in any way. Licensee shall not have the right to sublicense any rights granted hereunder. Licensor shall have the right to assign this Agreement, at any time during the term thereof, to any other party which succeeds Licensor in its function as the licensor of the DVD Format Books and the Logos, upon prior written notice to Licensee.

10.5 Notices. Wherever provision is made in this Agreement for the giving of any notice, such notice shall be in writing and shall be deemed to have been duly given if mailed by airmail, postage prepaid, addressed to the party entitled to receive the same or delivered personally to such party, or sent by facsimile transmission or sent by courier,

if to Licensor, to:

DVD Format/Logo Licensing Corporation  
Fifth floor at Shiba Shimizu Building  
2-3-11, Shibadaimon, Minato-ku, Tokyo 105-0012 Japan  
Attention: Ms. Kaoru Saito  
Deputy Manager, Licensing  
Tel No.: +81-3-5777-2883  
Fax No.: +81-3-5777-2884  
(E-mail: [kaysaito@dvdflc.co.jp](mailto:kaysaito@dvdflc.co.jp))

and if to the Licensee, to:

Time Warner Inc.  
c/o Warner Home Video  
4000 Warner Boulevard  
Burbank, California 91522  
Attention: Beth K. Baier  
Senior Vice President and General Counsel  
Tel No.: (818) 954-6055  
Fax No.: (818) 954-6799  
(E-mail: [beth.baier@warnerbros.com](mailto:beth.baier@warnerbros.com))

or to such other address, in any such case, as any party hereto shall have last designated by notice to the other party. Notice shall be deemed to have been given on the day that it is so delivered personally or sent by facsimile transmission and the appropriate answer back or confirmation of successful transmission is received or, if sent by courier, shall be deemed to have been given two business days after delivery by the courier company, or if mailed, ten business days following the date on which such notice was so mailed.


10.6 THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF NEW YORK, AS IF THIS AGREEMENT WERE WHOLLY EXECUTED AND WHOLLY PERFORMED WITHIN SUCH STATE, AND WITHOUT REFERENCE TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

10.7 ALL DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH THE INTERPRETATION OR EXECUTION OF THIS AGREEMENT, LICENSOR'S LICENSING OF THE LOGOS OR THE DVD FORMAT BOOKS, OR LICENSEE'S USE OF THE DVD FORMAT BOOKS AND THE LOGOS, SHALL BE FINALLY SETTLED BY THE FEDERAL OR STATE COURTS LOCATED IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK; AND EACH PARTY TO THIS AGREEMENT HEREBY: (i) IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE RESOLUTION OF SUCH DISPUTES; (ii) IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF SAID COURTS IN ANY SUCH DISPUTE BY PERSONAL DELIVERY OR MAILING OF PROCESS BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, AT THE RESPECTIVE ADDRESS SET FORTH IN SECTION 10.5 ABOVE; (iii) IRREVOCABLY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN SUCH COURTS OR TO THE CONVENIENCE OR INCONVENIENCE OF CONDUCTING OR PURSUING ANY ACTION OR PROCEEDING IN ANY SUCH COURT; AND (iv) IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY REGARDING THE RESOLUTION OF ANY DISPUTES BETWEEN THE PARTIES HERETO ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

10.8 This Agreement shall inure to the benefit of the parties hereto and each of their respective Affiliates, provided that (i) such Affiliates shall comply with the terms of this Agreement, (ii) nothing herein shall relieve any party of any of its obligations under the terms of this Agreement, and (iii) a party shall be responsible for the acts and omissions of its Affiliates as if such acts and omissions had been the acts and omissions of such party.

10.9 This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges all prior discussions between them and neither of the parties shall be bound by any conditions, definitions, warranties, waivers, releases or representations (either expressed or implied) with respect to the subject matter of this Agreement, other than expressly set forth herein (including the exhibits hereto), or as duly set forth on or subsequent to the date hereof in writing signed by a duly authorized representative of the party to be bound thereby.

10.10 This Agreement may be executed in counterparts (including facsimile



transmission) each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

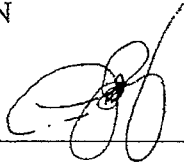


IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives as of the Effective Date.

DVD FORMAT/LOGO LICENSING  
CORPORATION

TIME WARNER INC.

By (Sign)



Makoto Inabayashi

Name (Print)

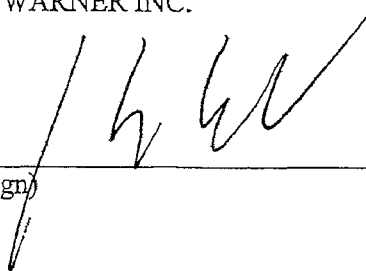
President

Title

Date

December 31, 2000

By (Sign)



John A. Schulman

Name (Print)

Assistant Secretary

Title

Date

July 7, 2000

/BKB



**SCHEDULE A-1**

**DVD Products, Corresponding DVD Format Books and License Fees**

DVD Format Books*	DVD Product Category	License Fee	Check if Licensed to Licensee	
DVD-Video Book (DVD Specifications for Read-Only Disc) Part 3: Video (Version 1.1)	I	US\$10,000	X	s
	II	US\$10,000	X	Δ
	III	US\$10,000	X	
DVD-ROM Book (DVD Specifications for Read-Only Disc) Part 1: Physical (Version 1.0) Part 2: File System (Version 1.0)	I	US\$10,000	X	
	II	US\$10,000	X	α
	III	US\$10,000	X	
DVD-R Book (DVD Specifications for Recordable Disc) Part 1: Physical (Version 1.0) Part 2: File System (Version 1.0))	I	US\$10,000		
	II	US\$10,000		
	III	US\$10,000		
DVD-RAM(2.6G) Book (DVD Specifications for Rewritable Disc) Part 1: Physical (Version 1.0) Part 2: File System (Version 1.1)	I	US\$10,000		
	II	US\$10,000		
	III	US\$10,000		
DVD-RAM(4.7G) Book (DVD Specifications for Rewritable Disc) Part 1: Physical (Version 2.0) Part 2: File System (Version 2.0)	I	US\$10,000		
	II	US\$10,000		
	III	US\$10,000		
DVD-Audio Book (DVD Specifications for Read-Only Disc) Part 4: Audio (Version 1.1)	I	US\$10,000	X	α
	II	US\$10,000	X	ρ
	III	US\$10,000	X	
DVD-RW Book (DVD Specifications for Re-recordable Disc) Part 1: Physical Specifications (Version 1.0) Part 2: File System Specification (Version 1.0)	I	US\$10,000	X	α
	II	US\$10,000	X	ρ
	III	US\$10,000	X	
DVD Video Recording Book (DVD Specifications for Rewritable/Re-recordable Disc) Part 3: Video Recording (Version 1.0)	I	US\$10,000	<del>X</del>	α, Δ, Δ
	II	US\$10,000	X	RW
	III	US\$10,000	X	
Total Fees**				

\* A new version of a DVD Format Book as represented by the change of the first digit of the version number shall be deemed a separate DVD Format Book, subject to a separate license fee of \$10,000.

\*\*US\$5,000 may be discounted from the total fees.



SCHEDULE C

List of Licensee's Affiliates

WEA MANUFACTURING INC.

(dba WAMO/Warner Advanced Media Operations)

WARNER MUSIC MANUFACTURING EUROPE GmbH

WARNER/ELECTRA/ATLANTIC

IVY HILL CORPORATION

CALIFORNIA VIDEO CENTER

(A division of Time Warner Entertainment Company, L.P.)

WARNER BROS.

(A division of Time Warner Entertainment Company, L.P.)

WARNER HOME VIDEO

(A division of Time Warner Entertainment Company, L.P.)

TIME WARNER ENTERTAINMENT COMPANY, L.P.

HBO ENTERPRISES

(A division of Time Warner Entertainment Company, L.P.)

NEW LINE CINEMA CORPORATION

TURNER ENTERTAINMENT COMPANY



## SCHEDULE B-1

### VERIFICATION LABORATORIES

#### **Class A Verification Laboratories**

##### Tokyo (Hitachi) Laboratory

Hitachi, Ltd.  
DVD Format Verification Laboratory  
Hitachi AtagoBldg.,15-12,Nishi Shinbashi 2-chome  
Minato-ku,Tokyo 105- 8430, Japan  
Tel:+81-3-3506-1616  
Fax:+81-3-3506-1603

##### Tokyo (Pioneer) Laboratory

Pioneer Electronic Corporation  
AV & Recording Development Center  
4-2610, Hanazono, Tokorozawa  
Saitama 359-8522, Japan  
FAX: +81-42-990-2831

##### Tokyo (Sony) Laboratory

Sony Corporation  
Shinagawa Intercity, Tower C  
2-15-3, Konan, Minato-ku  
Tokyo 108-6201 Japan  
Fax: +81.3.5769.5890

##### Tokyo (Toshiba) Laboratory

Toshiba Corporation  
Yanagi-cho 69, Saiwai-ku  
Kawasaki 210-8501, Japan  
FAX: +81-3-5444-9430

##### Osaka (Matsushita) Laboratory

Matsushita Electric Industrial Co., Ltd.  
DVD Verification Laboratory  
2-15 Matsuba-cho, Kadoma City  
Osaka 571-8503, Japan  
TEL: +81-6-6905-4195

FAX: +81-6-6909-5027  
Yokohama (Victor) Laboratory

Victor Company of Japan, Ltd.  
DVD Verification Lab.  
12, 3-chome, Moriya-cho, Kanagawa-ku,  
Yokohama, Kanagawa 221-8528, Japan

Europe (Philips) Laboratory

Royal Philips Electronics  
Philips System Standards & Licensing  
Licensing Support  
P.O. Box 80002, 5600 JB Eindhoven  
The Netherlands  
Fax: +31-40-2732113  
<http://www.licensing.philips.com>

North America (WAMO) Laboratory

Warner Advance Media Operations  
1400 E. Lackwanna Avenue  
Olyphant, Pennsylvania 18448 U. S. A.  
TEL: +1-570-383-3291  
FAX: +1-570-383-7487

Asia (ITRI) Laboratory

Industrial Technology Research Institute  
DVD Format Verification Laboratory  
Bldg. 78, 195-8, Section 4, Chung Hsing Road,  
Chutung, Hsinchu 310, Taiwan, R.O.C.  
TEL: +886-3-5916786  
FAX: +886-3-5917531

Asia (Samsung) Laboratory

Samsung Electronics Co., Ltd.  
DVD Verification Laboratory  
Optical Disc Drive Division  
416, Maetan-3Dong, Paldal-Gu, Suwon City,  
Kyungki-Do, Korea  
TEL: +82-331-200-8666  
FAX: +82-331-200-8941

Asia (LG) Laboratory

LG Electronics Co., Ltd.  
LG DVD Verification Lab  
19-1, Cheongho-Ri, Jinwuy-Myun, Pyungtaik-City,  
Kyunggi-Do, 451-713, Korea  
TEL: +82-333-610-5335  
FAX: +82-333-610-5355

## **Class B Verification Laboratories**

### **Asia (RiTEK) Laboratory**

RiTEK Corporation

No 42, Kuangfu, No. Road, HsinChu Industrial Park

Taiwan 30316 R O C.

TEL +886-3-5985696

FAX +886-3-5978482

**SCHEDULE B-2**

**MAXIMUM VERIFICATION FEES**

\$5,000 for a DVD Disc.

\$10,000 for a DVD Player or any product that incorporates a DVD Player,

\$5,000 for a DVD Drive or any product that incorporates a DVD Drive, and

\$5,000 for a DVD Decoder

### SCHEDULE B-3

1 At any time after the Effective Date but no later than sixty (60) days after the initial commercial shipment of the First Production Model of Category I Product or Category II Product as defined in the applicable Test Specification attached hereto as Schedule B-6, Licensee or any of its Affiliates shall test First Production Model using the verification tool and following the instructions provided by a Class A Verification Laboratory listed on Schedule B-1, to be selected at the option of the Licensee, and submit the results of such test together with samples of such Model so tested to such Laboratory, and concurrently send a notice of such submission to Licensor, provided, however, that if the DVD Drive or DVD Decoder is integrated into another product and the Logo is placed anywhere on such integrated product other than on the DVD Drive or DVD Decoder itself, such integrated product shall be tested. Reasonable numbers of samples to be submitted shall be designated by such Class A Verification Laboratory

2 Before a DVD Product is submitted to a Class A Verification Laboratory, Licensee and such Laboratory shall enter into a non-disclosure agreement the basic terms and conditions of which are set forth in Schedule D attached hereto covering any confidential information submitted by the Licensee

3 After the receipt of the result of such test and such sample product,

the Class A Verification Laboratory that received a test result and samples of DVD Product shall inform such Licensee of the results of the verification and concurrently send a copy of such correspondence to Licensor, and the Class A Verification Laboratory may keep a reasonable number of samples for Category I Products and Category II Products submitted by such Licensee,

if the result of the verification is that such sample DVD Product does not comply with the applicable DVD Format Book in the sole reasonable judgment of such Class A Verification Laboratory, Licensor shall have the right to request that such Licensee modify the non-compliant product so as to comply, and submit sample(s) of such modified product to such Verification Laboratory within thirty (30) days or a longer period specified by such Verification Laboratory (Number of samples to be submitted shall be designated by such Verification Laboratory) Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book, including, without limitation, the names of authoring studios which created the master discs for the non-compliant DVD Discs and third-party suppliers of components for the non-compliant DVD Products, and

if, as the result of the second verification, the sample product still fails to comply with the applicable DVD Format Book in the sole reasonable judgment

of such Verification Laboratory, or (b) Licensee fails to submit a modified product within such period set forth in the above paragraph 3(1), Licensor, in its sole discretion, shall have the right either to request that such Licensee further modify the product and submit such further modified product to the same Class A Verification Laboratory, or declare and inform Licensee of a final failure of such DVD Product to conform to the applicable DVD Format Book ("Final Failure")



#### **SCHEDULE B-4**

1. During the term of this Agreement and no later than sixty (60) days from the initial shipment of the Next Production Model of Category I Product or Category II Product as defined in the applicable Test Specifications (Schedule B-6), Licensee or its Affiliates shall (i) test such Second Production Model at its own quality assurance division using the verification tools and in accordance with procedures set forth in the Test Specifications or (ii) if Licensee or its Affiliates does not have its own quality assurance division, shall submit samples of such Second Production Model to a Class B Verification Laboratory listed on Schedule B-1 for verification.

2. If Licensee verifies its Second Production Model at its own quality assurance division, the following procedures shall apply.

- (i) If, in its reasonable judgment, the result of the verification at its own quality assurance division is that such Second Production Model does not comply with the applicable DVD Format Book, Licensee shall modify the non-compliant products so as to comply and verify such modified product.
- (ii) If, in its reasonable judgment, the modified product still fails to comply with the applicable DVD Format Book as the result of the second verification, Licensee shall either further modify the non-compliant modified products or determine not to ship such Second Production Model with the Logos.
- (iii) Licensee shall keep records of the verification conducted at its own quality assurance division at least for two (2) years after the discontinuation of production of the relevant model.

3. If Licensee submits samples of Second Production Model to a Class B Verification Laboratory, the following procedures shall apply.

- (i) Before a DVD Product is submitted to a Class B Verification Laboratory, Licensee and such Laboratory shall enter into a non-disclosure agreement the basic terms and conditions of which are set forth in Schedule D attached hereto covering any confidential information submitted by the Licensee.
- (ii) After the receipt of such sample product,
  - (a) the Class B Verification Laboratory that received a sample DVD Product shall inform such Licensee of the results of the verification, and the Class B Verification Laboratory may keep a reasonable number of samples for Category I Products and Category II Products submitted by such Licensee;

- (b) if, in the sole reasonable judgment of such Class B Verification Laboratory, the result of the verification is that such sample DVD Product does not comply with the applicable DVD Format Book, such Verification Laboratory shall have the right to request that such Licensee modify the non-compliant product so as to comply, and submit sample(s) of such modified product to such Verification Laboratory within thirty (30) days or a longer period specified by such Verification Laboratory (Number of samples to be submitted shall be designated by such Verification Laboratory). Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book, including, without limitation, the names of authoring studios which created the master discs for the non-compliant DVD Discs and third-party suppliers of components for the non-compliant DVD Products; and
- (c) if, in the sole reasonable judgment of such Verification Laboratory, the sample product still fails to comply with the applicable DVD Format Book as the result of the second verification, Licensee shall either submit the modified product to the same Class B Verification Laboratory or determine not to ship such Second Production Model with the Logos.

## **SCHEDULE B-5**

1. Licensee shall immediately submit one sample of a DVD Product which has been determined to be not in full compliance with the applicable DVD Format Book pursuant to Article 4.4, to a Class A Verification Laboratory listed on Schedule B-1 to be selected at the option of the Licensee and concurrently send a notice of such submission to Licensor. After the receipt of such sample product:

- (i) The Class A Verification Laboratory that received a sample DVD Product shall inform such Licensee of the results of the verification and concurrently send a copy of such correspondence to Licensor;
- (ii) if the result of the verification is that in the sole reasonable judgment of such Class A Verification Laboratory such sample product does not comply with the applicable DVD Format Book, Licensor shall have the right to request that such Licensee modify the non-compliant product so as to comply, and submit one sample of such modified product to such Verification Laboratory within thirty (30) days or a longer period specified by such Verification Laboratory. Upon request of Licensor, Licensee shall promptly provide information necessary for Licensor to trace the cause of such non-compliance with the applicable DVD Format Book, including, without limitation, the names of authoring studios which created the master discs for the non-compliant DVD Discs and third-party suppliers of components for the non-compliant DVD Products; and
- (iii) if, (a) as the result of the second verification in the sole reasonable judgment of such Verification Laboratory the sample product still fails to comply with the applicable DVD Format Book, or (b) Licensee fails to submit a modified product within such period set forth in above paragraph, Licensor, in its sole discretion, shall have the right either to request that Licensee further modify the product and submit such further modified product to the same Verification Laboratory, or declare and inform Licensee of a final failure of such DVD Product to conform to the applicable DVD Format Book ("Final Failure II").
- (iv) Licensee shall pay to the Verification Laboratory to which Licensee submitted the DVD Products a verification fee as charged by the Verification Laboratory, promptly upon receipt of an invoice from the Verification Laboratory, provided that Licensee shall not be required to pay the verification fee to the Verification Laboratory for a DVD Product which has been verified as compliant with the applicable DVD Format Book pursuant to the procedures under this Schedule B-5.

## **SCHEDULE B-6**

**Table of Test Specification, Corresponding DVD Specifications and Product Category**

DVD Format Books	DVD Product Category	Applicable Test Specifications
DVD-Video Book	I	DVD-Video Disc Test Specification
	II	DVD Video Player Test Specification PC DVD Player & Component Test Specification DVD Audio Player Test Specification
	III	
DVD-ROM Book	I	DVD-Video/Audio Disc Test Specification
	II	DVD Video Player Test Specification PC DVD Player & Component Test Specification DVD Audio Player Test Specification
	III	
DVD-R Book	I	DVD-R Disc/ 3.95G Test Specification
	II	DVD-R Drive/ 3.95G Test Specification
	III	
DVD-RAM (2.6G) Book	I	DVD-RAM Disc/ 2.6G Test Specification
	II	DVD-RAM Drive/2.6G Test Specification DVD-RAM Video Recorder Test Specification
	III	
DVD-RAM (4.7G) Book	I	DVD-RAM Disc/ 4.7G Test Specification
	II	DVD-RAM Drive/ 4.7G Test Specification DVD-RAM Video Recorder Test Specification
	III	
DVD-Audio Book	I	DVD-Audio Disc Test Specification
	II	DVD Audio Player Test Specification
	III	
DVD-RW Book	I	DVD-RW Disc Test Specification
	II	DVD-RW Drive Test Specification DVD-RW Video Recorder Test Specification
	III	
DVD Video Recording Book	I	
	II	DVD-RW Video Recorder Test Specification DVD-RAM Video Recorder Test Specification
	III	